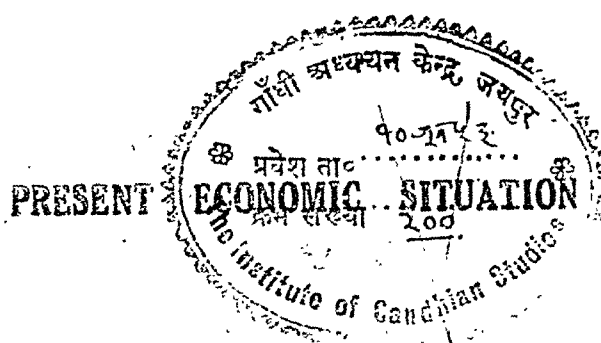




THE ALL-INDIA VILLAGE INDUSTRIES ASSOCIATION



BY

M. KUMARAPPA

MAGANVADI  
WARDHA, C. P.

1949

ALL-INDIA VILLAGE INDUSTRIES ASSOCIATION

# PRESENT ECONOMIC SITUATION

BY

J. C. KUMARAPPA



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values. It is purely material-centred. It is not calculated to ameliorate the sufferings of the masses whose needs do not figure prominently enough in the plan. Such production as is encouraged is neither scientific nor well planned. The agriculturists are victims of a wrongly set price fixing machinery and are facing the evil consequences of malalignments between the development of Industries and Agriculture, leading to a shortage of food supplies and prime necessities. Until these defects are faced squarely and are set right there is no hope of any advantage being reaped by the villagers from the mere fact of Britishers quitting India.

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PART III  
INDUSTRIES  
CHAPTER I

\* WITHER CENTRALIZATION

With the advent of the so called popular ministries people's minds are agitated over the policies that these ministries should follow. At the moment there is a considerable amount of loose thinking in regard to the expansion of the textile mills in Madras, which brings to the fore the question of centralization in industries.

It is not generally understood that Imperialism is a child of centralized industries and now in its dotage centralized industries cannot exist without the support of imperialism.

When England took to centralized methods of production Great Britain was not an Empire. Its economic life was based on decentralized methods of production. She was a highly cultured country with a strong moral background. Even now when we think of her great contribution to the progress of man we have to look back to the period before Industrial Revolution. The best of her literature—Shakespeare Milton and such like were Elizabethian; in Art, men of the type of Sir Joshua Reynolds flourished prior to the nineteenth century. Sir Christopher Wren and his peers in architecture

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## PREFACE.

There has been a demand, especially from students, for guidance as to the way we can apply Gandhian principles to public questions as they arise from day to day. To meet this need a few of my articles on topical questions have been collected together in this pamphlet.

I am grateful to the various journals for allowing us to reproduce my articles here.

3rd April, 1949

Maganvadi,  
Wardha. C. P.

*J. C. Kumarappa*



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## THE PRESENT ECONOMIC SITUATION \*

In the present situation what India needs is a very well thought-out plan along which line we may work towards a goal, which will be the fulfilment of a definite purpose in existence for both the people and the Government.

It is no use our imitating what has been done in America, Japan, Germany, France, England, or any other country. Each nation has to solve its problems on its own lines, given the circumstances under which that nation labours, or is placed under. That being so, what is the peculiar position of India that calls for our consideration?

To examine any economic organization we must take into our calculation the three factors that would enter into the equation—the human side, the Natural resources, and the power which may be utilised. All these things have also to be taken into account before we can formulate an economic organization to suit our purpose.

### Morals in Economics

In addition to these there may be some cultural and philosophical ideology set before the Nation. Our approach has to be modified in the light of that ideology. If a person sets out to make money it does not necessarily mean that as long as he gets money he achieves his purpose in life. If it is only a question of making money, the easiest way to get

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\* From the *Indian Journal of Social Sciences*

2002

rich is to put one's hands into somebody else's pocket! One need not labour; one just steals somebody else's purse and thus gets rich quick. But some who have moral compunctions would hold that this method of making money is not proper. So, both our ideals and actions are governed by considerations which bring us to a position where we cannot pursue our only objective as the final thing. And, that as far as man is concerned moral values should hold a very high place in all his activities.

So, we have to consider the various implications of our actions before we can say what form our Economic Organization should take and how we should go about it.

### Our Approach

In India, what are our hindrances and how are we to overcome them? We may approach our problems from a purely material point of view or from the metaphysical point of view. Apart from our actions we must calculate also the reaction of the people, and then see how far we achieve our objective in relation to the people themselves. This is where Gandhiji had given us an approach and a programme which differs so widely from any programme that has been set out in other lands.

In America, England, and other places the main approach has been from the material side, and hence they have not bothered very much about the means; while we are restricted by considerations of the means, our goal and the philosophy of life behind it. So, we have to co-ordinate all these and take a course which will lead us towards our goal. If we take only the material point of view that will not satisfy our moral standard of values. We have certain standards of values to be applied at every stage if we lay claim to

being a cultured nation, or a nation with a spiritual background. Our values will have to indicate what we are in the long run. If we want lasting results, we shall ultimately have to meet on religious and spiritual grounds.

An examination of the various schools of thought that are operative in our land will show that though apparently they lead much in the same direction, yet on closer study we shall find that they are wide apart. There are the Communist, the Socialist and then the Gandhian School. Apparently, often, the Gandhian would seem to be sometimes a Communist and sometimes a Socialist. Therefore, these ultimately would seem to meet but there is a fundamental difference in the approach, or, shall we say, in the priority given. The Communist gives a priority to equalising society of a type within certain limits; the Socialist probably gives a priority to material production. There will be other considerations also, but the priority is mainly the material well-being. But the people who are Gandhian will probably give a priority to moral and other considerations on that level, even at the cost of less material production. They may emphasise the moral reactions of one man's action on other men. Hence our programme will reflect these special features. We shall restrict ourselves here to the Gandhian approach emphasising the moral values even if it be at the cost of material values.

What are the moral and spiritual considerations that we have to import into our everyday transactions, as we are not concerned with merely satisfying our animal needs? We are also concerned with how our method of approach to obtain those animal needs reflect or affect our fellowmen. If a certain thing is taken from somebody leaving that person

adversely affected we may conclude that that method of approach is not correct. Our actions should be of mutual benefit. That should be our test.

### Priorities

What are the things that are required most? Saying that India is a poor country and we must produce more is hackneyed. We hear from various platforms the same cry. Wherein lies our poverty? That should indicate the point of attack. Some may want to produce atom bombs, others motor cars and third more tables and chairs.

These are no doubt, production of 'more'. But whether that 'more' fits in with our analysis of the human needs is a matter that will decide the correctness of our approach. If we feel that the poverty in our country is largely one which the villager suffers from, then we should analyse his needs and produce more on the lines which will satisfy those—his needs. If the villager is short of food, clothes and shelter then these are the things on the production of which we must concentrate. Only such production will have a meaning.

Produce more food, not in terms of America or Australia but produce the stuff that our own villagers need. Jam is no doubt a food product, but it is not in the context of everyday meals of the masses. Let us have a picture of the needs of India at the present time. Unless we are aware of them our economic organization cannot be turned towards them.

### Our Needs

In the course of a survey in C. P. once about a dozen of us were going from one village to another by night and it

was a moon-lit night. We were passing through a jungle which was lying between two villages. We noticed a shade hopping about. Some said it was a wild animal and some said that it looked like a human figure. At last we plucked up courage and made towards it! As we got near, it turned out to be the figure of an old woman. She was crawling along sparsely clad. She was collecting grass seeds. We asked, "Mother, why are you out to collect grass seeds in the dead of night?" She said that the owner of the pasture land would drive her out if she came to collect grass seeds in day time. She would boil grass seeds and prepare a gruel to keep her empty stomach from sticking together. Such is the dire poverty in our land. Instead of grass seeds she could be given *Bajra* or *Jawar*. This is raising her standard of living. So, we have to keep that human figure in mind when we go about planning to increase our standard of living. We need not plan for refrigerators and other comforts of life in cities while such shortage in prime needs lasts. We keep talking of growing more food. Now, what does the jam of Australia mean to this old woman who lives on grass seeds? This condition we have to bear in mind while we plan for our country.

Therefore planning for our country economically will have to start with a thorough knowledge of the conditions of the people for whom we are planning and their needs. There may be other things also to be planned for. A priority has to be worked out. For instance a little piece of land which is being cultivated for food may be taken over for various types of raw materials for mills. Here the emphasis placed on the production of raw materials is misplaced as long as there is a shortage of food. Mills also produce a pressure on land no less than the growth of population.



The pressure of mills on land is comparable to the pressure of population on land. When a child is born he requires about an acre of land for his existence. But when a mill comes into existence it requires two to three thousand acres of land. There is much talk about pressure of population on land and birth control to lessen it. We may as well face the question of mill control.

### What is Production ?

Take the case of the sugar industry. Producing more of white sugar is no production as we must look at it from the point of the needs of that old woman who was collecting grass seeds. She probably requires only sufficient starch for her body to convert it into sugar and energy. She does not really need white sugar or polished rice.

In case of rice the nutritious element in rice is taken out in the mill and the starch only is obtained. She wants nutrition and not merely starch. Polishing is necessary where largescale transport is a necessity. So when Brazil rice is brought to India it has to be polished. This polished rice is devoid of nutrition. So, when we remove nutrition, are we increasing production or destroying it? We are destroying what Nature has given us and which is very vital to this old woman. So the rice mill is not a productive agent but a destructive agent in the present context of conditions in India. The more the mills the greater is the destruction in the country in terms of nutritional values.

Similarly, in Bihar, for instance, we have sugar mills. Where we are growing sugarcane the lands become deficient in Nitrogen and Phosphates. Do we at least get some benefit out of it? No. We remove the nutritive element from

the sugarcane juice and convert it into white sugar. White sugar is only an energy producing article, as good as white charcoal. It provides heat to the body and no nutrition; while from gur we get all the nutritive elements as also the energy producing element. All the minerals are taken out by the mills as molasses. Even to assimilate that we require calcium. Gur contains the necessary amount of calcium. But, in sugar we have not got any calcium. So, if one takes sugar one has to have calcium from somewhere else to digest it. If one takes milk calcium comes from it. If one does not take milk or such other things which contain sufficient calcium, the requisite amount of calcium will come from the blood. The blood will re-imburse its calcium requirements from other sources, namely teeth. If we take white sugar without taking calcium containing elements, we get caries in a large measure. So, a sugar mill must be asked to establish dental hospitals nearby to compensate in a measure for the evil it is creating. Like the Rice Mill the Sugar Mill too, we notice, is not a producing agent but a destroying agent!

With that type of old woman in our picture, we can see, what purpose the sugar mills or the rice mills can and do play in the economic organization! Should we not call it a criminal waste in a land where the people are under-nourished? Such rice mills or sugar mills can have no place what so ever in an economic organization based on the needs of our people.

### What is Science?

We must remember that America is very different in all its environments and we cannot imitate their methods. Therefore, the circumstances under which we work should lead us to solve our problems in our own way. We cannot just follow either America, England or Germany. With all

their "Scientific" methods where have they got to? Notice to what extremities these countries have been reduced during the last few years by merely emphasising the material side of production. People ask that in the scientific age can we go on with the simple way suggested? "Is it Science?" Science is our understanding of nature and getting into an alignment with it. Increase production in co-operation with Nature. A rice mill or a sugar mill does not produce in that sense. They are merely agents of destruction. In this context, are sugar mills and rice mills scientific? Therefore you cannot talk in terms of our being in a scientific age when we are deliberately destroying everything that Nature gives us. Science, therefore, must teach us how to satisfy our requirements correctly without bringing about a waste. From this view point we conclude that the method that has been adopted in Germany, America, France or any of these countries is neither scientific nor productive. After 150 years of their experience today they are needing every little consumer goods that can be obtained from outside. In Germany they have come down to the beggar's bowl for food! France, after 100 years experience, has come to a stage where they have not enough to eat. Is this the result of being scientific? Anything that claims to be scientific has to be studied in the setting in which it is placed and the results obtained.

Even in America the conditions are not such as we can commend. She flourished because of some deficiencies elsewhere. There the wealth is going up whereas in Europe, its counterpart, it is going down. That is no creation of wealth. America is taking the opportunity of Europe's needs to enrich herself, and fortunately for her two world wars have helped her. Therefore, it is not really any real wealth creation, any more than pick-pocketing can be.

## Wealth Producer.

The real wealth producer is the farmer. He puts one grain and gets one hundred grains. Such real wealth producers are starving today. They are in a very weak position financially also. There are several reasons conducive to that and we shall presently analyse the situation with special reference to the conditions that prevail in India.

After 150 years of largescale production the European countries have been reduced to beggary specially in Germany and France. So, without going into the depressing details of the fate of those countries it is enough for us to draw our conclusions on the basis of the experience of those countries which claim to have been working through scientific organizations, both social and economic. When we find that they are not even meeting their primary needs we should leave them aside and study our own conditions and rely on our own resourcefulness to solve our problems.

## Effect of Agricultural Prices

There is an impression that a good many of our villagers are getting rich through the rise in prices. This may be true of surplus producers but it cannot be true of the bulk of our agriculturists who are not surplus producers—they are in deficit. Where they have got no surplus they cannot be benefited by rise in prices, as they have nothing to sell.

The method of fixation of prices also has much to be corrected. Prices of agricultural products are fixed on certain price levels relying on money economy to be a fundamental standard of value. Prices of a number of articles are taken and from them the economists work out some

figures. Then they calculate agricultural price on that basis. Indices are worked with special reference to some industrial products and the latter are based on the price of raw materials. Raw materials being part of the final industrial product the prices of those materials are kept low to make the resulting industrial product cheap. Therefore, when we depend on such indices we are again calculating the agricultural price on these indices which will naturally give us a low figure for the agricultural products. This is not the proper way of fixing prices. There must be some independent unit on the basis of which the price of agricultural products can be calculated. Fixing prices must not be left to the consumer or his representatives, as is the case now.

Take for example a bicycle factory. The shopkeeper marks the price of a bicycle as Rs. 150/- It is the producer's price. As consumers, suppose we have the backing of the Government and they fix the price of bicycles at Rs. 50/- Then bicycles must be sold at Rs. 50/- each. The factory owner could well hold that cycle manufacture is not a paying proposition because the consumers fix the price without reference to the cost of production. In the same way agriculture is being proclaimed as not being a paying proposition today. This is because the producer does not fix the price. So long as procurement plan goes along these lines, it is a legalised loot from the countryside. When somebody fixes the prices and takes away the product without paying any heed to the cost of production we can only call it loot. So, these present day methods of government procurement are really victimising the poor people of the villages. And, this is the present economic organization in the current financial make up. This method by which we are going on increasing payments in a vicious cycle will lead us to inflation inevitably.

## Change in Measure of Values.

Our scale of values changes because of these price levels being altered. There are certain checks that operate on our personal budgets because of the standards of values we employ. Suppose one lives on Rs. 300/- a month. A certain scale of priorities operates. Multiply the income by 100, and all of a sudden one gets a large amount of money which one does not know how to spend. So one spends without thinking. A newspaper report sometime back stated that our Governor-General went to Bombay and he gave Rs. 13,000/- for a race cup for fillies and colts. This is for gambling. The present Governor-General can never be accused of gambling and yet circumstances have led him to support that institution. Due to this inflation we lose our standards of value and we are carried off our feet. This is what is taking place in India today. Black-marketting is the order of the day and it is up-rooting our social order. Many things are coming over the people in this manner because of this inflation. Today financing means the use of the printing press! When such courses were resorted to under the British regime we were criticising it. But today our Ministers are intolerant of any criticism. When we call ourselves democrats we have a right to criticise, and as a matter of fact the Ministers ought to welcome criticism. The Ministers have to have their fingers on the pulse of the Nation. When a thief enters a house he desires to put off the lights but the householder welcomes light. So long as the people have a democratic government they have the right and also an obligation to criticise and point out the errors of the Ministers, and it is only by that the Minister can feel the pulse of the people. If the Government has definite intentions of serving the people they would want more light and still more light. We have to see how

again comes back to me and asks for another four-anna bit. He now takes the four-anna bit and goes and takes some coloured drink. And then he comes back again and takes from me another four-anna bit. Now he goes and takes *pan* and betel nut. He comes again and takes another four-anna bit from me. He goes to the city and enjoys a cinema show. So all these four-anna bits had different values in relation to the man according to his needs. Such is the nature of money. But this is not Orthodox Economics, but it is easily understood by the simplest of human beings anywhere. For example, a gentleman travelling in a first-class compartment comes down at a station, calls for a cooly, and another man travelling in a third-class compartment also calls for a cooly. To whom will the cooly run? Certainly to the gentleman who travels first-class. Why? Because he has sufficient superfluous or "cinema show" type of money to spare, which can be easily parted with. This aspect of economics even the cooly understands. The object of starting any industry is to make money. The industrialist will choose an undertaking which will garner in as much money as easily as possible—industries where superfluous money will come in with the least resistance. He will not aim at production of food because at that level the resistance to parting with money is greater. If he would enter business it would be to cater to people who have accumulated wealth because they possess the superfluous four-anna bits. Therefore, he would cater for luxuries and not for primary needs. Such an economic organization is not calculated to satisfy the needs of the poor people because of these qualities inherent in money economy.

Some time ago, when I was travelling in Malabar, I found two little huts under a grove of coconut trees. Before

one of the huts I saw an old woman and a potter making pots out of clay. I went there and sat by the woman's side and began to put various questions to her and she was answering my questions—mostly on food. To my question "What do you cook?" she said, "We cook rice once a day." I asked her, "Where do you get this rice from?" She said, "Why, from the ration shop!" Then I asked her to show me some grains, which she did. I noticed that it was a sample of polished Brazil rice. Gradually I learnt that a large tract of land round about the hut belonged to this old woman's parents and it was sold out by them to someone on a good offer. Formerly they used to grow rice on that land, but now the whole area grows coconut. Now she informed me that she cannot touch a single coconut of the coconut grove. They are all sold to a factory who crush all these coconuts and take out the coconut oil for the manufacture of toilet soap. Later on I verified the statement of this old woman and I was convinced that these lands belonged to her parents and they actually sold them away because of good prices offered. And, these rice lands were converted into coconut groves for producing soap. So the one time rice lands have been, in effect, turned into toilet soap lands! So that factory caters, not for the *dal-bhat* of the old woman, but for those people in Madras, Calcutta, Bombay and other big cities, who have got the money of the "cinema value". So, such is what is taking place in this country. The more and more we industrialize on this basis the more and more people will starve, there is no doubt about it. It is no wonder that we have to import 150 crores worth of food, instead of growing more food in our own country. When Economists are asked, "Why is it that this is being done?", they will tell you that it is due to the operation of the "law of Comparative Advantage". Is this manufacture of toilet soap--when rice



could have been grown--of comparative advantage or to starve the old woman and cater for toilet soaps? This is industrialization. That is the economic machinery under which we are working at present and such comfortable economic theories are fitted into the schemes of things.

We must decrease the use of money and keep it in its proper place, its legitimate place, as our means of exchange. It ceases to be a means of exchange when people treat it as an end in itself. The money holder has a certain position and power which the fact of his having money gives him.

Then again money equates two wrong things. Hence it ceases to be a truthful means of exchange. Suppose outside a school an old woman sells plantains. In the morning a boy comes to her and she offers two plantains for one anna. The boy goes away without buying. The boy again comes in the evening when the school is over. During the heat of the day the plantains have gone soft, and the boy demands four plantains for one anna and the woman yields. Why? Because the boy, the holder of the comparatively imperishable money, has the bargaining power over the holder of perishable commodity--the plantains. So, the moneyholder has got the bargaining power though he is not producing the article, and the people want to get money even at the cost of certain amount of loss, because it places them in that favoured position. Now that Swaraj has come to us we have to assess the right thing in the right place and have our standard of values so adjusted as to enable us to appreciate what is necessary for the people. In a starving nation like ours food, cloth and shelter are necessary and our exchange mechanism should guide us to such supplies.

## Electrification

Even our present plans are unrelated to facts. For instance, in the Deccan where a great deal of propaganda is going on for Hydro-Electric power being used in villages, they have tried to pump out water by electric pumps. After three or four years what do we find? Once fertile lands are now all barren and the former agriculturists have taken to charcoal making! The rich people who can afford electric motors get water by electric pumps while the poor people do not get water for their fields as their wells and tanks have dried up with the water level going down due to large quantities of water being drawn out by electric pumps. So, with the water table going down the trees which could not draw water beyond their roots have now dried up and are cut down and used for the preparation of charcoal. They cannot cultivate because the surface soil has also been eroded with the trees and bushes having disappeared.

These schemes cost crores of rupees but all for nothing as far as the poor people are concerned. The present day economic organization is all for the haves and not for the have-nots. The planning has been done without any relationship to the common people and without any forethought.

## Chemical Fertilizers

The fertilizer factories are another wild goose chase. Fertilizers have got to be applied like drugs. They are stimulants to the soil and a stimulant should not be applied regularly. When one is weak the doctor prescribes a few drops of brandy, but it cannot be a regular drink. A drunken man is nervously excited but in the state he cannot be said to be more energetic! We do not say that fertilizers should

not be applied at all. The soil doctors should examine a particular soil which is deficient in certain elements and then prescribe what fertilizer should be applied and in what quantities. Soil analysis is a pre-requisite before fertilizers can be brought in. Soil differs in fertility from yard to yard and every square yard has to be examined before applying a particular fertilizer. So, this is a very gigantic task. In our country we have not got doctors even for human beings and it is a folly to introduce fertilizers without maintaining an army of soil doctors. If we apply fertilizers without examining the land it may one day turn into a desert. We have got to remember the conditions obtaining in India when we formulate our economic organization.

### Conclusion

Economic organization in a starving country like ours should take the form of production of food and should bear a close relationship to the poor people's needs and the means that are available. So, in our economic organization we ought to have the primary place for the starving ones of India, for the naked ones of India and for people who have no shelter. On that basis we shall have to plan with a standard of human values, not merely with quantitative sense of material articles we have to produce. An abundance of material wealth is not synonymous with human welfare. Welfare has to be construed in terms of the needs of the people.

We should plan in terms of the poor people and their needs and we shall have to give priority to their food, clothing and housing. After that, if we have surplus energy left, then we can prepare luxury goods. When schemes are being submitted we should follow this approach to evaluate them. At present the economic machinery takes no cognisance of moral

## CHAPTER II

### \* CONSUMERS' DUTY

Our national culture and tradition enjoins the spender to so direct his purchases as to advance the well being of art, literature and craftsmanship. In the ancient days, no doubt, the princes and wealthy men spent freely and lavishly but their extravagance did not impoverish the country as they helped in the wide distribution of wealth. Their palaces were built of skilled labour with bricks or locally available stones. The internal decorations were carried out by artists of repute. The members of the family were clothed in the best of fabrics the local artisans could devise. Everything was made to specifications. Such furniture as they had were beautifully carved with special designs. The pictures on the walls and the mural paintings and frescoes were works of art executed by renowned artists. They used conveyances built by local carriage builders out of materials at hand, fashioned to suit individual taste. All their food material, however rich, was of local production. Every rich man's establishment was the source of a spring of life for many an artisan and was the centre of culture.

Today the position is very different. One who steps into a wealthy man's house in Bombay will find the house itself would be built of cement concrete of a standard pattern, equipped with cheap laminated wood furniture made of

veneers and ply wood, tables mounted with plate glass tops. His bath rooms will be fitted with sanitary equipment imported from London. He will be using an American or British car run on imported petrol. He may be using fashionable silks from Belgium or Paris for clothes and curtains. The pictures on the walls will be cheap lithograph prints of paintings in the Louver of Paris or the Picture Galleries of London. Even his table will be laden with imported food stuffs like Corn Flakes, Quaker Oats, Shreaded Wheat etc. from the U. S. A., jams and preserves from Australia, fruits from California, and so on. Very little of his budget will be spent on things that are made locally. Such methods of living help the foreigner more than our country. If the spender receives his income from the people of the land and spends it in the above manner he impoverishes the country and is a veritable parasite.

Unfortunately this type of spending is on the increase what with the philosophy of indulgence preached by the interested foreigner who sets the fashions in acquiring a multiplicity of wants and supplies such wants.

Even where a certain amount of patriotism has permeated through and awakened the consumer to patronise Swadeshi production, such Swadeshi articles are invariably cheap mill manufactures. Erecting these mills and buying machinery for these lead to sending our wealth abroad. Then when consumers buy goods made by these Indian mills the profits etc., go to that class of millowners whose personal expenditure we have described above and which is only a canal that leads out the wealth of our country again to the foreigner through consumption goods. In this manner we are impoverishing the country even when we buy Swadeshi mill goods.

The only way to increase the wealth of the country is to use articles locally made by cottagers and villagers who use little or no machinery. This will help to distribute wealth amongst the masses and incidentally the foreigners will be given no incentive to stay in our country and will naturally quit India without any use of violence to expel them. So by a careful and discriminate buying consumers can help to bring Swaraj but it calls for considerable amount of self-discipline and self-control. Shall we rise to the occasion or be for ever under the foreign yoke ?

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## CHAPTER III

### \* COOPERATION & GOVERNMENT

*Summary of a speech delivered by Sjt. J. C. Kumarappa, while presiding over the Cooperators' Day Celebrations at Nagpur on the 1st November, 1945.*

The Registrar of Cooperative Societies, Sjt. Nagarkatti, I. C. S. criticised the A. I. V. I. A. in his speech, as standing aloof and not pulling its full weight with the co-operative movement in the work in the villages. I have gone through Sjt. Nagarkatti's five year plan. He impressed me as being a sincere officer who has taken his job seriously. Hence his remarks merit our considerations and cannot be dismissed lightly.

To begin with the co-operation that Sit. Nagarkatti has in mind is organizational co-operation falling within the four corners of the Co-operation Acts. This has no meaning to us. If we want co-operation we have to elicit it from the people by gaining their confidence and serving them disinterestedly. They have to be drawn towards us. There is more coercion than co-operation in the enforcement of the Act in practice, for the simple reason that there is no homogeneity in the group. The Registrar represents the might of the British Empire armed to the teeth and the people are poor unarmed peasants. How can these unequals cooperate? I see on one of the banners on the wall "Free India in a Co-operative Commonwealth". What is a "Co-operative Commonwealth"?

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\* *Gram Udyog Patrika*—February 1946

Co-operation requires equality of all the units in their capacity to work together with a common purpose and for mutual benefit. Rats cannot cooperate with cats nor lambs with tigers. Have we this primary condition in India?

From the economic point of view the atmosphere in India is vitiated for any co-operation between the Government and the people. There is no unity of purpose. The Government represents the interests of the big industries of Great Britain and if they have any interest in the masses it is only to see how best to exploit them. Any one who evinces the least real interest in the masses will soon be placed out of harms way—behind bars. I may be permitted to recount my own experience. In 1942 when our currency began its inflationary course up-wards and the Government was sending out of the country commodities bought at controlled rates with paper notes, I warned the people of an approaching famine if those conditions were allowed to continue. I was prosecuted. When I pleaded that I was doing my duty by the people the trying Magistrate stated that was not the approach he was concerned with. He was only to see what would have been the effects of the course suggested by me on the military. If they did not get their supplies readily it would adversely affect the war effort. This was punishable under the D. I. R. So he sent me for two years hard labour! This incident clearly shows that the basis of cooperation—a common purpose—is lacking. Until the all absorbing interest of the Government is the well being of the citizen we, who desire the welfare of the masses, cannot advocate any co-operation where there is such diversity of interests. Hence it is that the A. I. V. I. A. does not find it possible to pull its whole weight with the Co-operative Department of Government.



Leaving institutional and organizational co-operation let us now pass on to real co-operation. What is the place of co-operation ?

Man strives to meet his daily needs by his economic effort. He is a member of a social group. Therefore, he has to see that his individual effort does not run counter to the interests of the whole group. In group life certain things conform to a short range treatment and some others call for a long range view. A forest cannot be allowed to be cut down for fuel according to the wishes of individual citizens. The forest utilization plan may well run into fifty years. In such cases the working of long term organizations or institutions is entrusted to a group of persons who can be relied on to look at the affairs from a detached view point. Co-operative Societies should function in such matters and work in the interests of the whole group. To be so entrusted these societies should command the confidence of the people. In a sense the State itself should stand in this place and be a principal partner in the business of the people. At present the Government in India cannot be trusted further than you can see. How can it claim to have the affairs of the unborn generation placed in its hands ?

Then again where certain services cannot be obtained by individuals because they are beyond their financial means such services too, should be obtained by co-operation. It is not possible for individual potters to carry on research in the methods of glazing nor is it possible for them to maintain high-temperature furnaces for their individual wares. But these can be rendered or obtained co-operatively if the co-operative organization can be trusted not to work with a profit motive but in a spirit of service. Co-operative Society has to exercise its rights but should be known for the punctilious

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performance of its duties to its constituents. In this manner the production of the masses can be increased both quantitatively and qualitatively.

Proper co-operation will lead to equitable consumption also. Any business transaction that does not lead to the mutual benefit of both the parties to the exchange will result in gain to one party and loss to the other. Such a condition cannot be tolerated where a co-operative commonwealth is contemplated.

True co-operation will bring about a cultural development of all constituent parts. Material advancement is not the only aim of co-operation. If we ensure mutual co-operation amongst a group of individuals we shall also have, as a necessary consequence, the furtherance of the moral values holding sway in the group. In this manner co-operation of the right type serves to usher in civilization along with material prosperity which is the only course open to mankind to ensure peace in the world. In such a world alone can Free India form a Co-operative Commonwealth.

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## CHAPTER IV

### \* GOVERNMENT POST-WAR PLANS

Most so called "Government Post-War Plans" are but schemes to settle demobilised soldiers. They are not calculated to advance the economic conditions of the people, which depends on their productivity and not on their capacity to consume. The effect of the war economy has been to shift what production we had to destructive ends and to increase the "wants" of the people, especially of those lakhs of young men who had been enticed into the fighting forces by the allurements of high pay etc. which were far beyond their market value.

Apart from this a soldier is a consumer and not a producer in a nation and so forms a drain on the wealth of a nation. An increase in their numbers decreases the wealth of the people.

Again, a person's economic condition may be altered by a mere change in his wants without any alteration in the quantity of his material possessions. When he controls his wants he is relatively better off than when he indulges in his desires and increases his wants. Therefore, when a citizen gets used to habits such as club life, smoking, cinema going tea drinking etc, without any increase taking place in his productivity he is relatively impoverished. The tendency in the life of a soldier, especially in the employ of an alien

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\* *Gram Udyog Patrika*—August 1946

ruling race, which has to ramper its fereign recruits, is towards indulgence in artificially created wants. This is also a problem that faces us.

These changed conditions in our economic life are reflected in most Government plans. For instance, the plan prepared by the Adviser Regime for the small Frontier Province runs into Rs. 27 crores ! The discharged soldier and the need to find a job for him seems to loom large in this blue print. The whole emphasis is on increasing the staff and the remuneration of the ten departments, of the Provincial Government. The Government, especially the British form of it in India, is a liability, being largely administrative rather than developmental. Besides, the scale of pay already in force is far in excess of the capacity of the citizen to pay and is out of all proportion to the income of the people. Such being the case we can only characterize such Post-War Development Plans as fantastic and preposterous. We cannot afford to convert our country into a dumping ground for unemployed ex-officers and men. We would, of course, welcome them if they would condescend to become producers and live on the wealth they themselves produce. But we can spare no room for parasites. Even in such schemes no one who is not an inhabitant of the province should be entertained. We know this will be denounced as highly parochial, leading to provincialism. But if the Punjab and the Frontier gave soldiers to fight for Britain it is no patriotism for the Central Provinces or Orissa to be called upon to bear the after war burdens by the settlement of such soldiers in these latter provinces. As we have previously pointed out in these columns justice and fairplay would require such soldiers to be provided for by Great Britain and not India.

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## CHAPTER V

### \* THE POLICY OF DRIFT

There is a good deal of talk of planning the economic activity of the people. Any planning must take a comprehensive view of the circumstances under which we are working—the needs of the people, the natural resources, facilities available to the meanest and the quantity and quality of the human factor at our disposal. We must have a clear vision of the goal towards which we desire the country to move and we should be able to anticipate the full consequences of our plans in years to come both on our country and on our neighbours.

The policy of the Government of India enunciated recently is one of expediency and can hardly be called a "Policy". The one concern seemed to be to state something which will silence criticism from all sides—a few words to assure industrialists that their business of accumulating wealth will not be interfered with, an appeal to labour to come to the rescue of the country, a promise to develop cottage industries if no other way is open to produce goods to meet the needs of the people and pious hopes and promises to bring prosperity to all.

This policy of appeasement and drift may act as a pacifier but it will not solve the problems facing us. We

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\* *Gram Udyog Patrika*—July 1948

need a clear cut policy for the full development of the nation backed by a drive to achieve that end. The industrial programme must fit into the general pattern. Our purpose is not mere production for production sake. We have to meet the needs of the people both for goods and opportunities of full employment. The policy enunciated does not envisage anything that it hopes to serve. In a country living below the subsistence level any schemes of production should give first priority to food and food processing. This means agriculture and agro-industries should have the first place. Here also, taking into consideration the conditions of the farmers and the nature of the lands the methods suggested should be such as will fall within their reach.

The key industries and centralized organizations should be run to serve the needs of Agriculture and Agro-industries. They will have no purpose in existing unless it be to serve the needs of the people.

The Government proposes to build one million industrial workers houses. Should this not be the responsibility of the industries that employ this labour? Why should public funds be used in this scheme? Is this not a subsidy to these industries?

The use of foreign capital and management is contemplated but the safeguards problem brings us on dangerous ground and we are not satisfied sufficient thought has been bestowed on it.

The industrial policy enunciated by the Government does not cover the needs of the nation as a whole. The patronising attitude taken up by the Government towards cottage industries is an insult to the dignity and status of such industries in our economy and proves that the powers that be have got hold of the wrong end of the stick.

## CHAPTER VI

### \* FAMINE PREVENTIVE MEASURES

A great deal has been said and written on the immediate programme to grapple with the spectre of starvation facing us. This is as it should be. At the same time it is incumbent on us to take such long range steps as will make a repetition of these conditions difficult. With this end in view it would be useful to consider the causes of this famine and devise ways and means of preventing a recurrence.

#### General

There are some general causes which hold good at all times and special causes which have come into play in this famine. The most potent factor amongst the former has been the great emphasis that has been placed in recent years on money and the price mechanism as a directive force.

*Money* : As a medium of exchange money has a great part to play in our economic life but for this purpose too it is by no means perfect. When compared with consumable commodities money is not perishable. A fruit seller is at the mercy of the owner of money because fruits are perishable and he cannot refuse indefinitely to part with them as they will go bad by keeping while the buyer can hold out. This quality of money leads to the possibilities of using money as a lever of exploitation which in turn makes it more attractive. Short sighted farmers part with their life giving grains for

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\* *Gram Udyog Patrika*—March 1946

unsustaining money. Therefore, in an agricultural country like ours, we have to restrict the use of money and encourage exchange in commodities.

*Money as a Trap* : The situation becomes worse when we come to fiduciary money which has no intrinsic value. The greed for money is the bait used by financiers to make village folks carry out their mandates. If the sugar mill owner wants farmers to cultivate sugarcane for him rather than cereals for themselves he offers good prices for cane. Attracted by the money returns the farmers cultivate this crop in competition amongst themselves, and so in the end produce more than the mill owner needs. Then the latter promptly lowers his prices. This way the money owner dictates and the commodity producers play into his hands and dance to his orders. Money economy has been used as a trap for the unsuspecting, unwary farmers.

The Government, by resorting to inflation, has drained the country of valuable food grains intensifying the deficit in food. Even after the excuse of war was over the Government has continued its policy of inflation and has increased circulation by over 200 crores in the last year. Blackmarketing is also a product of inflation. This expansion of money without a corresponding increase in commodities is a direct cause of the famine. As Sir A. Ramaswamy Mudaliar in his speech at the U. N. O. Assembly brazenly claims, the Government was exporting food grains to Russia and other countries while people were dying by starvation on the pavements of Calcutta. This result was achieved by the instrument of inflation. We have to contract our currency by methods which will not harm the producers.



*Exports of raw materials :* Money economy has made it possible for industries situated at long distances to draw raw materials from all parts of the world. This system is greatly responsible for increasing the poverty of the people who produce raw materials. For instance instead of selling fully tanned leather or even finished leather goods when we export raw hides we hardly realize a small fraction of our fully possible dues. This reduced purchasing power makes the masses, who live below the subsistence level, lead a precarious life normally and succumb to the first onslaught of food shortage.

To remedy this we must insist on placing a ban on all exports of raw materials which should be processed into finished consumable articles in our own land by our village people.

*Cultivation :* We have noted that mill-owners seek to replace food crops by alluring farmers with high prices for industrial crops like long staple cotton, cultured sugarcane and tobacco. This takes away fertile land available for growing more important food grains. We have to place a ban on such commercial crops as long as there is a food deficiency in the land.

*Industries :* Even if all exports in raw materials are stopped, it is necessary to see that no food products are converted into non-food articles, like milk into casein, wheat and rice into starch and so on. The use of starch in Industries should be banned.

### Special

During a war large numbers who would otherwise be producers are maintained in the military—a destructive organization. This makes a heavy draught on the country's reserves. Apart from the mere maintenance of these men their standards are also enhanced because they lead a very

active physical life for which their diet has to be adequate. Hence these military men make a double drain on the food stocks of the country. In addition to these there are lakhs of foreign troops brought into our country.

The remedy for this is simple. The foreigners should be supported purely on food stocks imported for them. Our men must be made to work on the land and produce for themselves. Exports of all food materials must be stopped. In fact foreign trade must be banned in all primary requirements and should be limited strictly to proved surpluses only.

*Water Supply :* Reckless cutting down of timber for military purposes has denuded the forests which cannot be set right for decades. This will mean not only failure of monsoons and rains now but for years to come. We have to undertake a rigorous campaign of tree planting if we are to remedy this evil. Wherever possible, in villages, on road sides etc., people should plant trees—neem, tamarind, mango, and other useful trees.

We have also to launch on a programme of sinking wells, building tanks and canals. Denuding of forests will effect the fertility of the land by erosion. This must be countered by constructing contour bunds etc. to conserve the soil.

### Conclusion

Unless we immediately take steps to do all these we shall be faced with such famines every year. We know dependence on the Government is not going to help us. If they had possessed that much solicitude for the masses this famine condition would never have arisen. The situation calls for popular action and that right now.

## CHAPTER VII

### \* THE WRONG WAY

#### 1 Kerosene

The Finance Member in his budget speech had announced the reduction of duty on kerosene from annas 4 pies 6 to annas 3 pies 9 per Imperial gallon—a reduction of 6 pies. It is now proposed to double the reduction which will amount to  $1\frac{1}{2}$  annas. The loss to the Treasury thereby will be Rs. 141 lakhs.

This is an attempt to increase our import of a primary necessity to pay for which we have to export part of our production, which will cause more distress in the land. The correct procedure would be to restrict such imports from outside and devise ways and means of meeting all our primary needs ourselves; in this case by the use of vegetable oils perhaps produced from jungle seeds etc. This will enrich our country.

#### 2 Sugar

It is apprehended that sugar production during the current year will not come up to the original estimate of 11 lakh tons as the sugarcane crop has been badly affected by failure of winter rains in the U. P. and Bihar and by frost during December 1945 in the Punjab and N. W. F. P. The Government of India are pressing upon H. M. G. India's case for an allotment of 200,000 tons of sugar from abroad to meet an anticipated sugar shortage in the country.

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\* *Gram Udyog Patrika*—April 1946

The proper way to meet such shortage is not to run abroad for the stuff. Such a course will entail export of other products to pay for these imports. The better course will be for the Government to arrange for the deficit sugar to be made good by obtaining fresh supplies from existing palm trees in jungle areas by tapping them for nira and preparing gur and sugar from these.

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## CHAPTER VIII

### \* ARE WE IMPERIALISTS ?

A few weeks back, we commented on the immorality of India taking part in any programme of reparations. We hold that we were not a party to the last war, nor do we seek to gain anything as a consequence of the last war, which was waged for Imperial purposes by all parties concerned. In any case, to take advantage of the people who are down at the moment because of the inability to be the first amongst the most violent is mean and unchivalrous. It is on a par with highway robbery or with depriving the weak of their property using ones own strength for the fulfilment of ones own desires. First came the news that German patents were being distributed amongst the Allies and some of their industrial establishments were being dismantled for distribution among the so called "Victors". Then a similar news item in regard to Japanese assets also appeared. India was asked to send her indent for the German booty. Our reaction was that to have any part in those nefarious transactions would dab us with the same brush with which we have been painting Imperialists.

Greed and selfishness have been the root cause of creating hatred and ill-will amongst all nations; and they have led to repeated Global wars which have brought in distress, starvation and death in their wake. India's cultural back-

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\* *Gram Udyog Patrika*—June 1947

ground is one of peace and goodwill amongst nations and we ought not to deviate from this tradition if India is to deliver the message of goodwill amongst the nations of the world.

Referring to Reuter's report that 80 million yards of piece goods and 8 Million pounds of yarn of Japanes Textiles are being allotted to India, the special correspondent of a Madras Newspaper reports that the Government of India seem to be chary of giving any information in regard to the news. He added that the Government of India have asked for higher allotment than that mentioned above and the question of distribution is under active consideration. We are not clear whether these goods form part of the reparations' loot from the Japanese. If it is so, it would mean that India is rapidly drifting towards Imperialism.

We earnestly hope that the present Interim Government would do all it can to keep us from following the downward path that the Japanese had taken during the last century.

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## CHAPTER IX

### \* A SHARE IN THE BOOTY

Nadir Shah invaded India for booty. This booty was in the form of hoards of precious metal, jewellery and gems. Such is not the booty our moderns look for. They want instruments of production, raw materials and markets. It was the search for such booty that brought in the global wars.

After the first world war the "conquerors" unburdened Germany of her colonies and claimed reparations to compensate for the loss caused by the wars.

Now again Germany has been "vanquished". The international vultures have foregathered where the carcass is. An assembly of delegates from the Principal Allied Countries have drafted a "Final Act and an Accord" to pool all German patents in Allied countries. India has also been dragged into this arrangement, by whom we do not know.

When we buy a stolen article knowing it to be such, we become morally responsible for the stealing that had preceded the transaction. India refrained from entering this war. Can we now ask for a share in the booty consequent on this war without assuming moral responsibility for the carnage?

Can we buy and bring into our country German plants taken over by the allies as "reparations"? There is a list of

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\* *Gram Udyog Patrika*—February 1947

51 German war plants, which are for sale., circulated among the Indian Chambers of Commerce. These are stained with injustice, cruelty, avarice and human blood. Are we prepared to take these on our hands? If we do, we become imperialists no less than the British or the Americans. If India stands for the freedom of all suppressed nations, Germany being one such today, our National Government should protest against such loot and ban such tainted property.

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## CHAPTER X

### \* CONTROLS

Though the war has been inactive for nearly 2 years yet war conditions still prevail in the control in regard to articles of prime necessities. No doubt the scarcity in commodities has called for regulations of some kind to ensure certain measure of social justice. Rationing is still with us. Black marketing is running rampant. Profiteering seems to be flourishing and the Government is busy with controls. To an onlooker there seems to be something "wrong in the state of Denmark". What that is many people are not able to tell.

The mechanism of price has its main spring in the law of supply and demand. Therefore, any control of commodities and their prices must take the form of regulating the supply and demand. Rationing attempts to regulate the demand but there is a complete absence of any attempt to regulate supply. The present method adopted by the Government to control the prices, is like setting the clock going by constantly turning the minute hand. What we want is to set the mechanism in order and the clock ought to work on its own. This artificial regulation of prices has been largely responsible for black marketing. The prices have to be regulated automatically, not by a fiat of the Government. The Government has been playing King Canute trying to stop the rising tide of

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\* *Gram Udyog Patrika*—August 1947

black markets and profiteering; but the method adopted has been a total failure. In fact great many of the dealers in commodities desire to have the controls on a permanent basis because it provides the opportunity for black marketing. Corruption in high places has also been interested in perpetuating controls. It is high time that these matters are set right by the popular ministries now functioning.

If we wish to avoid black marketing and control the supply and demand in the natural way, rationing will take care of the demand but the supply side has to be regulated in the normal way, not by merely setting up the prices artificially but by controlling the supply. The Government can do this by stocking a fair amount of articles that are sought to be controlled and holding them in reserve to be sold at fixed regulated prices, in case the stockists are in the market attempting to sell their articles at a higher price. Of course, Government will not enter into the market as a seller, until the merchants themselves, by their actions, invite the Government to take drastic steps. The Government stocks will be held in godowns merely as a stand by, watching to see that the merchants do not advance the price unduly. The moment the market prices tend to go up, the Government godown will be opened and the stock dumped on the market to bring down the prices. The Government holdings need not be more than 10 to 15 per cent of the stock required to be able to effectively affect the market.

This is not a novel measure. It has been tried out successfully in the working of the Bihar Central Relief Committee under private agencies, without the aid of the law or other government powers—basing our appeal purely on persuasion. Again in finance, this is the method adopted

by the central banks to regulate interest rates, which are but market prices for money. For some unknown reason the Government has not followed this well tried path but have taken to the King Canute method of fixing prices arbitrarily and by so doing driving the commodities underground. It is not too late, even now, for the Government to change over and gradually decontrol the commodities as the market assumes normal conditions. We trust our governments will take immediate steps to relieve the distress the people are suffering from because of the present methods of control.

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## CHAPTER XI

### \* FIRST THINGS FIRST

The Bombay Committee for the promotion of Village Industries under the chairmanship of Sri Manu Subedar has, with commendable promptitude, published its report. It seems to have been launched out with a wrong twist from its inception. The resolution of Government forming this committee started by wagging the dog in the preamble itself or is it a case of letting the cat out of the bag to begin with? It runs :—

“Revival and promotion of cottage industries are essential for bringing about a state of balanced economy in the country and for saving the enormous waste of raw materials, transport facilities and human energy inherent in locating factories at certain centres to which raw materials and labour have to be brought from the countryside and from which the finished product has again to be sent to rural consuming centres. It is also desirable to make villages self-sufficient in respect of their essential requirements as far as possible...”

From this the main object would appear to be to distribute the constituent elements of the organization of centralized factory production to rural areas; the purpose being the saving of “enormous waste” or in other words reduction of cost. The interest in the welfare of the villages has become an “also”.

The whole report is vitiated by this ideology, lacking a true perspective and a sense of proportion. Button making absorbs attention in a starving country rather than industries connected with food processing. The burning questions of the day, such as the rice mills, production of "Vanaspati Ghee" or sugar mills and distilleries do not find even a passing mention. Coming from the province of Bombay, with all its vested interests, one is led to wonder if this is all deliberately undertaken to divert and side track public attention rather than being an accidental blunder.

Of course there is much crocodile tears shed over the deterioration of life in rural areas and very ennobling sentiments expressed in the true text book style for their betterment. But the whole report rings false, may be due to the wrong directive given in the terms of reference.

The Committee's belief in "self-sufficiency" is skin deep. Their avowed aim is "to give increased purchasing power to large masses of people, so that they can afford to buy things which hitherto they were not in a position to acquire." The Committee does not seem to be conscious of the fact that much of the distress in rural areas is traceable to the enormous expansion of money economy. Villages should be encouraged to produce for their use rather than for exchange. The Committee seem to have been carried off their feet by glowing pictures of production in Switzerland and Japan, not realising that in those small countries conditions are not the same as in our country nor are their traditions of life identical with ours.

Under the proposed scheme villages should undertake mass production of a single selected article at each village industry centre. "At least three skilled artisans, who are

adept in making such an article, should be imported from cities where necessary and established at such a centre on the guarantee of a full wage such as they are now realising *plus* free residence." "All the adult men and women, who could give their full time, would be free to come and join this activity. From the first day of their attendance, they would receive not less than four annas a day but when their skill is reported upon, the scale should rise gradually from four annas to eight annas, which should be the maximum," for an eight hour day. Is this an improvement of the "Poornhouse" institution in the West ?

With an eye to modernity, and perhaps as a concession to those who clamour for Basic Education, the Committee "recommend the examination of the problem, whether children could not join in with advantage to themselves for half a day" on a wage of one anna per day rising to a maximum of four annas. They think such industrial centres "would provide for the training of the eye, the touch, the sense of measurement, the sense of weight and other useful faculties."

They have, in all earnestness proceeded to work out the cost of a village centre for the production of coat buttons ! Such a centre will employ three skilled men at Rs. 4/- a day, 40 children at As. 2/- a day, 40 women at As. 6/- a day and 40 men at As. 6/- a day. At all events we should congratulate the Committee on establishing equality of men and women, though on paper ! They are also dispelling "the drawing room illusions of amateurs that one can have a choice and one should do what one pleases." They declare *ex cathedra* that "man is by nature condemned to get through the same personal routine in life every day and with regard to work, most men do, what opportunity or chance had made available to them". In this particular case the God sent the

opportunity of coat button making ! From this high philosophy of life they suddenly make a forced landing on hedonistic consideration when they come out with the observation; "the limitation of the work to a single task increases the scope for acquiring skill in the shortest period, for minimising mistakes and waste and is the foundation of mass production of simple articles under rural conditions at a cost which will probably be lower than the factory cost of similar articles." Sweat labour theories could not have been expressed better.

Then they proceed to refute emphatically that the simple process in mass scale manufacture is monotonous. We should invite the chairman and the committee to go to a shoe making factory where the moving belt carries hundreds of lasts on which the various operations incidental to the making of a shoe are performed by the attendant at each spot. We shall place the chairman first. As the naked last moves up in front of him he will have by his side a pot of sticky paste and he will be equipped with a brush. He will dip the brush in the paste and dab it on the last as it passes him. He will repeat this operation on hundreds of lasts that will whirl past before him from eight in the morning till five in the evening with one hour in the middle for lunch ! This will be done every day for three hundred days in the year and he will be paid eight annas per day for his co-operation with the Almighty who provided our chairman with this opportunity of dabbing paste on shoe lasts ! It may not now be necessary for us to watch the other Committee members at their simple processes which, they tell us are not monotonous. They frankly state "the Utopian Heaven when a man can do what he pleases, as he pleases, is an entirely irrelevant idea with reference to the plan suggested herein". If the chairman was not pleased to dab the paste on the last

as it passed him the cloth put on the last by the next man will not stick to it and God's purpose will be frustrated. It is impossible to allow the Chairman to please himself.

*Q. E. D.*

As to the choice of products they confess that "they have not been troubled with the antithesis, which it is usual to put forward between village industries which cater for the wants of the villagers themselves and those with produce useful to the urban population."

They claim that their scheme is the product of Indian genius applied to Indian conditions. There is surely no question about the genius but there is room for difference in the appreciation of the conditions. They are obsessed by the fear that the villages cannot provide for the increased population unless their scheme is put into operation.

There is much special pleading in all their theorising which makes interesting and amusing reading but space forbids our inclination to quote these for the benefit of the reader. There is no sense of false modesty about the committee which naively desire that the basic notions put forward by them should be useful not merely for Bombay, but for other provinces too. Is this a warning?

Village Industries for mass production seem in keeping with wolves in sheep's clothing. We trust the Government and the people concerned will evaluate this report carefully and the skilfully sugar-coated pill will not be swallowed.



## CHAPTER XII

### \* PATTING OURSELVES ON THE BACK

In a preface to a brochure on the work of the Congress Ministries, Acharya Jugal Kishore, the General Secretary of the Congress states, "A careful perusal of the pages of this brochure will, I hope, convince the unprejudiced reader, that the achievements of the Congress Ministries within such a short period of less than one year, have not been inconsiderable." It will depend upon what we look for as the goal and the fulfilment of a popular ministry. The Congress manifesto made all manner of promises to alleviate the distress of the masses. It is not possible, at this stage, to go into a detailed examination of items on the programme of the various Congress Ministries. But even one who runs may read that there is evident a lack of co-ordinated policies. Various Governments are following their own whims and fancies.

The Central Government is pursuing the scheme of a fertilizer factory at Sinduri. But they have not taken the trouble to organize a soil inspecting squad all over the country to enable chemical fertilizers to be applied scientifically and according to prescription. Merely placing tons of fertilizers in hands of farmers, who have not been accustomed to the use of such materials, and who have no means of analysing the soil and ascertaining their requirements, will be like giving

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\* *Gram Udyog Patrika*—August 1947

sugar coated quinine pills in the hands of a little child and it will have an equally tragic result. These fertilizer factories will prove a bane to the farmers if their use is not scientifically controlled. If the Government were really interested in the farmers and had a policy to regulate the use of this product, they should first of all form their service squad to help the proper utilization of fertilizers. Instead they are concentrating purely on the production, ownership and management of huge producing units and spending public money on these enterprises.

While the Government of Bombay is seriously considering taking legislative action to ban the production of "Vanaspati" the sister province of Madras is planning to have nine more factories from next year, four in Andhra, four in Tamil Nad and one in Malabar. Of these the Government hopes to run at least one.

If the country is to be led by responsible Governments it is essential that the responsible Governments themselves should be clear in their minds as to what is desirable and what things are not good for the people. It cannot mean that a Congress Ministry in one province holds "Vanaspati" to be bad enough to be banned, and another Congress Ministry considers it "Amrit" like to be promoted by themselves. We cannot look forward to any progress as long as such a policy of drift holds the field. We need a properly co-ordinated policy for the whole country. Is it too late for the Constructive Programme Committee to assert itself and declare the policy that should be followed for the benefit of the whole country?

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## CHAPTER XIII

### \* BEATING ABOUT THE BUSH

At long last the Government is awakened to the fact of inflation and the need to control it. They have called for opinions from groups of economists, government officials, selected industrialists and bankers, well-known labour leaders, etc. The summaries of these reports published by the government run into 30 foolscap sheets, and one who reads it gets an impression that though there is agreement in certain fundamentals, there is a good deal of special pleading in the remedies suggested. These "remedies" are very often merely their own schemes to better themselves under the guise of public service. Practically the whole thought seems to centre round largescale production and industries connected with them. There is little or nothing mentioned about the main source of production, namely agriculture and village industries. Hence the schemes to increase production suggested in these reports are like playing Hamlet without the Prince of Denmark. The basis of their suggestions seems to be an infinite faith in law promulgated by the legislatures and not the human character. They remind one of King Canute commanding the waves away. Great many statements are of the obvious like "Prices have to be reduced," "currency has to be withdrawn" etc. The resultant action taken by the government to re-introduce controls shows that the government is oblivious of

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\* *Gram Udyog Patrika*—October 1948

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the lessons our past experience had to teach. With the lack of character, which is obvious in both the seller and the consumer, to introduce controls will be to repeat the past. The essential factors in control should be the administrative machinery and the sense of citizenship of the merchants. When these are absent, as it has abundantly been proved, to bring in controls will be like handing over a flaming torch to a little child who is playing in a room full of wooden furniture and cloth upholstery. The use of the torch needs certain discipline and self-control which can hardly be expected from a child and it is folly to place instruments of destruction in hands which cannot be trusted.

### Survey

A rapid reading of these reports brings out certain common features.

*Causes:* Practically all are agreed that the present inflation is largely due to government budgetary deficits, its expansion of government departments, open market operations of the Reserve Bank of India in support of Government Securities and increase in note circulation. During the last one year the government expenses have gone up by nearly 60 crores. These are largely to be found in the Departments of Information and Broadcasting, External Affairs, Aviation and Road Building. Defence alone shows an increase of over 90 crores. The expansion in government departments, especially Foreign Affairs, seems to have no limit. The workers state, "The present situation has arisen because of shortage of the essential necessities of life accentuated by large scale smuggling from India into Pakistan, lack of the sense of responsibility on the part of workers, redistribution of purchasing power in favour of the farmer and the

factory worker and its spasmodic impact on the limited supply of goods. Govt. expenditure has, during a period of decreasing real national income, been increasing rapidly and important sources of income have been lost for sentimental reasons. The simultaneous rise of prices of goods and fall in the prices of equities indicate the complexity of the situation and relatively speaking, the subsidiary importance of monetary factors "

This quotation will itself show how ill-informed are even the bankers with regard to the purchasing power in the hands of the farmers. They state elsewhere, "Most of the surplus purchasing power is now in the hands of the farmers and workers." Again their lack of social sense is disclosed in their ignoring "Prohibition" as an essential nation building activity. They have no use for such "sentimental" reforms.

More realistically Prof. Ranga states the causes of inflation as follows;—

"The present inflation is not due so much to the higher prices of food grains as to

- (i) the abnormal prices charged for manufactured goods.
- (ii) the abnormal prices charged for services rendered by the commercial and professional section of the population.
- (iii) unlimited bank credit and consequent speculation.
- (iv) growing note circulation.
- (v) standstill production of all essential industrial activities."

We would add to the above list under subheading (ii) High salaries paid to Government servants.

From all of this it would appear that the greatest culprit in causing inflation is the government itself, but in the remedies that they suggest they wish to ignore this fact. If these causes are granted the necessary remedies are obvious.

*Remedy* :— By most of the groups vigorous arguments have been advanced that government should curtail its expenses, fearless retrenchment should be carried out and drastic reduction in staff made. The industrialists have suggested that the government development expenditure should be largely on short term schemes. This would imply that instead of going in for expenses of the astronomic category on developmental schemes, such as the Damodar Valley and Kosi control, they should rather go in for minor irrigation works and anti-erosion projects. It is also suggested that such postponable expenditures should not be spent. The economists suggest a surcharge on incomes over Rs. 5000, an increase of 25 per cent on the business profits tax and the up-grading of the super-tax. They also suggest "Small -scale and cottage industries have a special role in the present emergency and should be fully-developed with a view to mitigate the essential shortages." They touch upon increasing agricultural production, Here we may add that such increase should be in food-stuffs and raw materials for prime necessities. Shree Jai Prakash Narayan has also submitted a note. In it he suggests that "both import and export trade should be made State monopoly managed on commercial—not departmental—basis"....."import of luxury goods including luxury cars and of unnecessary articles should be stopped." He goes on to add, "Agriculture should receive far more

attention of the centre than it is getting today; village panchayats should be formed and through them a production drive should be launched. The production potential of villages should be assessed by them and their requirements in terms of manure, bullocks, tractors, other crushers, implements, wells, small irrigation schemes, charkhas, looms, oil crushers, dairy requirements, etc, should be determined, and met under Government initiative through co-operatives with a view to reducing the cost of production." He also suggests that "Import of food grains should be stopped or discouraged as far as possible."

### Observations

Many state that there is a scarcity of consumer goods, but they forget that this is an all-world malady to which we are no exception. The improvement of the situation lies in producing consumer goods by methods which will bring in quick results. At the present time capital goods are not available and therefore, even as a matter of exigency, we have to turn to cottage industries. Unfortunately a great many of those in charge cannot think in terms of organizations other than the mammoth ones. If, as a measure of dealing with inflation light dawned on powers that be, and village and cottage industries are harnessed to meet this need, it will be a boon to the masses of the people in our country.

Some of the advisers counsel dropping of the prohibition scheme. This shows what values people place on building up a society. We cannot afford to ignore social values. In an emergency the need for it is all the greater. We can afford to do without great many things, but we cannot afford to send some of our fellow beings into the gutters

under the plea of monetary needs. Nation building activities should be safeguarded from the financial enthusiasts.

We are surprised that even a leading labour leader should make the mis-statement that at the present time "the rural indebtedness has been practically wiped out releasing additional purchasing power to the rural population". The labour leader forgets that whatever the increased agricultural prices may have meant to the few surplus producers, it has not brought relief to the bulk of the agriculturists in the deficit economy. Though the agricultural prices had gone up those of the manufactured articles also had risen and therefore the apparent advantage had proved to be more than a handicap.

The Financial Adviser, Dr. P. J. Thomas while strongly recommending retrenchment in the government staff, curiously enough equally strongly recommends an expansion of his own department! This appears to be the way most of the counsellors have been working. The industrialists take this opportunity to ask for safeguarding them with labour legislation. They want to introduce third-shifts, they plead for supplies of coal and raw materials. They expect to get special depreciation allowances and relief from income-tax. They wish, the government will not make any statements to shake confidence of the industrialists and want the government to re-enunciate their industrial policy! Thus all the counsellors seem to have gone to the government to plead their own case. The government itself seems to be obsessed with what Shri Jai Prakash Narain calls the Tennessee Valley Authority mentality and are not willing to let go their grip of power which make them jealous to expand their departments and incur expenditures without counting the cost.



### Suggestions

As we have already indicated development of character and discipline is the first pre-requisite. In this the government itself should set the example and turning the search-light inwards should set its own house in order. Princely salaries to members of government, ministers of provinces and other high dignitaries should all be scaled down ruthlessly to be in consonance with the economic status of the common, halfstarved citizen. Unless it does this it will have no grounds to ask others to help in its effort of setting up the economic structure of the country on a sound basis. The moral appeal given by an example is much greater than all the preaching from the house-tops. In regard to currency, the suggestions made of withdrawing the money in circulation by issuing Government paper, unless such funds were made available or ear-marked for specific purposes, such as agricultural development, will be a danger if left in the hands of what has proved to be a spendthrift government. Here we may mention that notes in circulation have gone up several crores in the last few months. If our expenses are to be met by the Printing Press, no attempts at deflation will ever succeed. The sooner we bring the improvident government to base its currency on valuable securities, such as gold and silver bullion the better it will be for the country. It will increase the credit-worthiness of the government.

As regards production, as we have repeatedly stated, we agree that village and cottage industries should be stepped up and agriculture should be made to produce all that we need in the form of prime necessities. Foreign trade should be restricted to surpluses only and the use of money should be confined to exchange of commodities to comparatively distant places, while local exchange should take place as

far as possible, through multipurpose co-operative societies on the basis of barter. Agricultural prices themselves should be fixed not as a derivative from manufactured articles and indices worked up by a consideration of such prices, but they should be calculated independently on the basis of effort and energy put into production of such commodities. Unless this is done the old slogan that "agriculture does not pay" will assert itself.

Until our economic structure is firmly based on the activity of the common man in producing the needs of the general public, we shall always be in an unstable equilibrium like a cone balanced on its apex. It is time that the government took stock not only of the financial morass in which it finds itself, but the greater mess in which the country has been led by lack of a well-defined and thought out economic policy.

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## CHAPTER XIV

### \* GOVERNMENT AND DEFLATION

The Government has formulated some plans for meeting the problem of ever soaring inflation. These plans are over-weighted on the side of large scale industries. When we take the production of agriculture and village industries, the output of large scale industries is infinitesimal. Therefore, if we want to increase the production, even a slight improvement of agriculture and village industries will provide a great lever for banishing inflation. But this factor of production has been almost ignored.

One has to remember that the large measure of this inflation is due to the spendthrift nature of this Government which in itself is an outcome of a fall in a sense of values in the income and expenditure on Governmental affairs. The remedy for this cause of inflation would be to increase the value of money while reducing the quantity that gets into any particular hands. For instance, a man with Rs. 10/- in his hands has a certain value for his tenth rupee while another with one lac at his disposal would have comparatively little or no value for his last rupee. To meet this difference in the unitary value of the margin, it is necessary to cut down the funds available to any Government Department. The simple way of doing this is to decentralize both the revenue collection and dispersal of expenditures. We have to develop a system of local administration which will

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\* *Gram Udyog Patrikā*—November 1948

resuscitate the ancient methods of village republics. Until this is done, fighting inflation will be merely dealing with symptoms and not the disease.

Similarly the use of money must be largely restricted by introduction of certain amount of exchange in commodities in local transactions by the instrumentality of multi-purpose co-operative societies.

These reforms under conditions prevailing today may lead to a certain amount of looseness in administration. But we have to face this problem so as to educate the villagers to shoulder responsibility. Centuries of foreign rule have brought us to the present state of a diminished sense of public duties. To build up this civic character of the people, it may take some decades, but that is a period which has to be gone through before the people can be expected to take up the responsibilities of Swaraj.

## CHAPTER XV

### \* SPORTS

With the advent of centralized methods of production which left no scope for the exercise of self-development and self-expression sports assumed a special importance. Men spent their time in factories working away feverishly and they required relaxation. They themselves were not in a position to put forth any further physical effort. They can be only spectators, while there was another group of men who spent most of their time in a sedentary life, but these were few and they needed active exercise as a relaxation. As centralized methods grew in importance, so did imperialism and games have followed the needs of these two groups of men. Their most suited game for the conditions described above is cricket. It is highly expensive and therefore above the reach of the factory workers, but it affords an outlet to the sedentary worker. The factory workers come in their thousands for the eleven of the team to exhibit themselves. This is cricket.

India has to emphasise for various reasons, the economic activity based on decentralisation. The bulk of our people are farmers. After ploughing the land for a whole day the farmer would have little or no need for further physical exercise. Similarly his occupation is proverbially an ill-paid one and he would hardly have the wherewithal to indulge in expensive games or in gambling. Hence in a country like

India a game like cricket, meant for imperialists, should be out of court.

Sports should complement the economic activity of the people. Periodical festivals, folk dances, and exercises which are involved in our rural sports are well-suited to this end, while they are inexpensive also. While we were under the imperialistic yoke many of the leisured classes in India had taken to the fashion set by Britishers, but now that we have attained swaraj it is time that we shake off these trappings of imperialism and adopt ways, even in our relaxation, suited to our country, our climate and the people.

Lord Wavel, the last Viceroy, who is at present the Chancellor of Aberdeen University, stated in regard to cricket that "it is a game involving prodigality of time and effort out of proportion to its importance and it seems the height of absurdity that English boys and men should spend several days at a stretch on it and go on doing this for months together." We presume Lord Wavel knows what he is talking about. If these sports are wasteful of money and time in Great Britain, one of the richest countries of the world, what shall we say of the poor India sending out teams to show their achievements in other parts of the world ! It seems to us that a time has come for us to rethink and reconsider many the ways that had been introduced by our erstwhile rulers, which we have taken for granted as the acme of civilization. Even newsprint, which is scarce today, is being used liberally where sports news is concerned. At least one page a day in most of the important newspapers is devoted to such pastimes as Cricket, Racing, Cinemas, Gambling, etc. We have to build up anew our requirements in amusements.

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PART II  
AGRICULTURE  
CHAPTER I

\* THESE AGRICULTURAL COLLEGES

It is a scandal that crores of rupees should have been spent on the researches carried on by the so-called "Agricultural Colleges" of India and yet the production of rice per acre in India is 939 lbs. as against 3909 lbs. in Japan. Similarly, the production of wheat is 774 lbs. in India as against 2010 lbs. in Japan. India is subject to repeated famines. Is it any wonder? Does not the situation call for an enquiry into the working of these Agricultural Colleges? Crores of public money have been sunk in these colleges and in their researches. Why then is our production a mere fraction of that of other countries?

The answer is fairly clear. A great deal of first class research work has been done by these institutions but not on food production. They have concentrated their work mainly on evolving long staple cotton suitable to be used in textile machinery, on juicy but thick rind sugarcane for the sugar mills, on growing tobacco for the Imperial Tobacco Co. etc. If they had done any researches in food grain it has been only to fill show windows at Exhibitions as an apology to justify their existence.

Under these circumstances is it not right that the cost of running these institutions should be charged to these

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\* *Gram Udyog Patrika*--October 1946

beneficiaries instead of being saddled on the impecunious farmers? To be honest they should call these colleges "Mill Raw Material Research Institutes". It is no use masquerading under false names only to sponge on public money.

The real agricultural colleges must be situated in rural areas, their buildings etc. should be in consonance with their surroundings and keeping with the standards prevailing among the people they profess to serve. The Principals and Professors must themselves be cultivating farmers. They may well be allotted a certain acreage out of the produce of which to support themselves. Their activities must be confined to the needs of the people—being chiefly limited to food production, short staple cotton and such other materials in demand in the villages. They should take the lead in the supply of selected seeds and in grain storage. The medium of instruction should be the language of the locality. The students themselves would then be prospective farmers instead of job-seeking city young men whose one need is a degree of some kind. The whole policy needs to be reoriented if famine prevention is our goal.

We would suggest an enquiry committee should be set up to investigate the working of all existing institutions from the Imperial Council of Agricultural Research downwards and to recommend the reorganization of these institutions in such a way as to concentrate their efforts on fighting famine. Money spent on such researches will be truly and effectively a famine insurance.



## CHAPTER II

### \* PUTTING THE CLOCK BACK

A news agency report states that Prof. Einstein has sent a message to the people of our land warning us that chemical fertilizers and tractor ploughing will ultimately bring in loss of soil fertility causing incalculable and irreparable harm to the country eventually. Curiously enough the bearer of this message is Dr. Amarnath Jha himself.

Great many experts before Prof. Einstein have advised Western farmers against the use of these instruments of a short sighted policy. Our country is always about a century behind. What has been discarded by Western scientists, our experts cling to as the last word in progress. It would not matter much if our scientists were left to hold their antiquated views in their laboratories, but the tragedy of it is our vested interests have used them for propaganda purposes and have induced our Government to squander crores of public money on importing tractors and establishing fertilizer factories.

As it is the pressure on land is such that it is not able to provide adequate food for the people. What we need is a programme of rational use of land combined with provision of ample fuel resources to release farm yard manure for the fields. Instead we are faced with converting, what is today a reasonably fertile soil, into desert land by our greed for

quick returns. No doubt the use of fertilizers will stimulate the soil into yielding more for a time but soon, like the energy of the drunkard, it will disappear, making the second state worse than the first. Shall we be guilty of killing the goose that lays the golden egg?

If it was merely Prof. Einstein's personal view it may be dismissed lightly. This opinion is the result of extensive use of fertilizers and tractors under very favourable conditions both in the U. S. A. and Australia.

We may remind our readers that not long ago Mr. Collin Grant Clark, the Australian economist, invited to advise our Government, said that he would develop India on the basis of cottage industries regarding the factory as a necessary evil. Surely these men cannot be accused of being fanatical Gandhites trying to put the clock back! Shall we heed the call of wisdom based on experience or go our own way to destruction?

The impact of the West disintegrated our industrial set up. Is it left to national Government to convert our fields into deserts? May God forbid.

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## CHAPTER III

### \* ELEPHANTS TO THE RESCUE

Amongst the many problems facing the country one of the common ones is the reclamation of cultivable waste lands. The Central and Provincial Governments have obtained crores worth of equipment for this purpose. They are all imported tractors, bulldozers etc. Their upkeep is also a strain on our exports as the fuel as well as spare parts have to be obtained from abroad. It is agreed on all hands that these can only be used to open up the land.

The situation being what it is, it can be to some extent relieved if our Government Officers will turn to the elephants for aid. A great many of these faithful animals had been maintained by the ruling princes and zamindars. With their dwindling income they would be glad to part with these animals. Each elephant will cost about Rs. 20/- to Rs. 25/- for daily maintenance as against several times this cost for the maintenance of tractors. They can do practically all that a machine can do though at a lesser speed and will be more in keeping with our economy.

The difficulty is lack of resourcefulness in the department concerned. We have not developed the necessary "accessories" of an elephant—ploughs, harrows etc.

We trust an effort will be made to conserve our precious foreign exchanges by utilizing our local resources to the fullest extent possible,

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## CHAPTER IV

### \* (1) SOIL FOOD VS. DRUG

In human nutrition people recognize the difference between staple food and drugs. Usually the staple food is eaten in large quantities and it contains all the elements necessary for the human body in the right proportions or nearly in the right proportions. Milk for instance will contain fat, proteins, calcium and vitamin A besides other similar ingredients. But, if for any reason, the body of a patient needs more vitamin A than is found in milk because of some diseased state of the body, then to augment this need, vitamin A may be administered in the form of some liver products, such as, shark liver oil or cod liver oil. We recognize, therefore, that an ordinary wholesome food differs from medicines. The medicines are administered in small doses according to the needs of the particular patient and his conditions. An old man may take a different dose of medicine from that of a middle-aged, the latter would need a different dose from that of children.

Again certain drugs are used as stimulants when individuals want to go beyond their energy provided by nature, by indulging in dances at night clubs. Such individuals stimulate their bodies to meet the extra demand of energy by taking injections of morphia and other such drugs. For the moment they appear to be full of vitality and energy, but a time

comes when they suffer from the reaction of the stimulants. Therefore all persons desiring to lead a normal life without overstraining the nervous or muscular system, will content themselves with a healthy use of energy produced in the normal food.

Medicines are indicated in the case of the existence of pathological conditions, while stimulants are harmful to the body as they overtax the system. Thus the staple food, medicine and the drug each has its own place and cannot be substituted one for the other. Food for the normal person, medicine for the sick person and the drug for the over-indulgent.

Similarly, in plant life too, we have these stages. Plants like animals, need food. They draw this food from the air and the soil through the medium of water. If the normal food that the plant requires is deficient in particular aspect, that deficiency may be made good by a proper diagnosis and prescription. Also plants can be stimulated like human beings with drugs too. But that is an unnatural situation. In nature much of the mineral substances needed by plant life is provided in some assimilable form by micro-organisms in the soil. These micro-organisms take organic matter and present them in an assimilable form fit for the plants. In the normal way, the animals feed on vegetation and after assimilating that which is needed for the energy and growth, they pass out the rest back to the earth and these micro-organisms in the soil, convert such material back into plant food; and so goes on the cycle in nature. Any interference in this by men can only be justified by the circumstances.

The natural staple food of all plants is farm yard manure and other organic matter. Such manures have in

them certain elements termed *auxins*, which help better assimilation of the food just like vitamins in human food help in the biochemical process. The *auxins* are indispensable for plant life, just as vitamins are indispensable for human beings, and farm yard manure and other organic matter are rich in these *auxins*.

Where the mineral contents of the soil may be deficient owing to flooding and washing away of certain mineral salts, it may be necessary to supply that deficiency by introducing certain chemicals. But this is a process which is analogous to medicine to the human body. Just as medicines can only be administered by a qualified doctor after a careful diagnosis with a prescription suited to the particular conditions of the patient, similarly, this method of adding chemical fertilizers to the soil should only be done after a careful analysis of the soil and requirements of plant life to be raised on that soil. Without such proper prescription given by a soil chemist, to freely use chemical fertilizers would be as foolish as a layman administering medicine to a patient, and it may be equally tragic in its results. Artificial fertilizers, therefore, are not plant food but they are medicines to the soil.

Just as the human system can be stimulated beyond its normal performance by drugs such as morphia, similarly plants also can be subject to an unhealthy enhancement of their growth and production by the use of drugs. Chemical fertilizers can produce this effect; but it is an unhealthy, short-sighted and unnatural state of affairs.

If our agricultural food production is to supply the normal requirements of the human body, the plants from which we draw that food must also be healthy, normal and well-fed. Any artificial stimulant or artificial feeding will

naturally affect our food as, we depend upon, specially in our country, so largely on plant life as food. Hence it becomes imperative that we should watch the food given to these, the medicines administered and the drugs supplied. If there is any undue dose at any stage it will ultimately tell on the health conditions of the human being.

New Zealand grows most of its food supply on soils manured by chemical fertilizers and it was found that the people of New Zealand were subject to catarrh, influenza, septic tonsils and dental caries. Therefore, Dr. Chapman of the Physical and Mental Welfare Society of New Zealand carried out some experiments in Mount Albert Grammar School Hostel, and subjected over 60 boys, teachers and staff to experimental feeding. The food was changed from the "chemically grown" fruits, salads and vegetables to articles produced on farm yard manure; and he reports, "There is a marked physical growth and freedom from other common ailments, and their dental conditions have improved." It may be noted here that during the last war, when young men were examined for recruiting, over 40% of the New Zealanders were found to be unfit because of defective teeth. This experiment gives the warning that if the health of the people of India is to be what it should be, we must beware of chemical fertilizers. This is purely from the point of view of our food.

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## (2) SOIL FOOD Vs. DRUG

Looking at it from the needs of the soil, chemical fertilizers increase the acidity of the soil. Parts of Bengal and Bihar have already suffered from this. To make the fertilizers effective, it is necessary to apply it at a suitable depth and not as a top-dressing. Application of manures at some depth involves deep ploughing and copious irrigation. In our country, where the major portion of the land is subject to the vagaries of the monsoon, it would be a pure gamble to plough deep and manure it with expensive manure only to find at the end of the season that the rains have failed. Our farmers are not financially well off enough to take the risks of this type of land treatment. As we have already indicated earlier, before artificial fertilizers can be used on any plot of ground a very careful analysis of the soil and its requirements have to be ascertained. This involves a wide spread, well trained, expert staff of agricultural chemists who could function as "soil doctors." Before we have such a personnel available at every plot of cultivable land, it will be sheer folly to put artificial fertilizers in the hands of the farmers. It will be like handing in poisons—drugs like opium, morphia, etc.—into the hands of ignorant patients without any control as to its use. Therefore, even if we wish to introduce fertilizers as medicine, the condition

dent to such a course will be the introduction of agricultural chemists in large numbers. In our country we have not physicians even for human beings in sufficient numbers. How are we to find soil physicians in greater numbers. ?

With these facts before us we regret to notice that our revised Central Government is pushing on with the promotion and extension of artificial fertilizer factories. In Bihar and Jharkhand, a scheme for artificial fertilizer factories, involving heavy machinery to the extent of Rs. 12 crores and other building and equipment running into a further 10 crores, are being pushed forward. We hope better counsels will prevail and the suicidal schemes will yield place to carrying on researches on more healthy lines which will provide a considerable amount of the organic matter that is going to waste away as suitable manures to our fields. Only such a course will provide us with health giving food and save us from the unscrupulous exploiters who, regardless of the harm they are causing the people, consider accumulation of wealth as the only objective in life.

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## CHAPTER V

### \* MANURE AND FOOD

Few people realise that the quality of the health, growth and reproduction of plant, animal and human beings depends a great deal on the quality of manures that are fed to the soil. When we put manure into the soil we are feeding the soil and to the extent the soils are fed the produce of the soil will also be nutritive, and the products of the soil are usually the basis of the requirements of animals and man. The cycle is not complete here. If the soil produces good food for animals and men that food when digested and returned back to the soil again is also a better soil food. Thus the circle of goodness goes round and round rising in a spiral for the benefit of plants, animals and human beings. There is an old saying "who feeds well manures well." We may put in a complement of this, "Who manures well feeds well", thus completing the whole process.

With the deterioration of our soil technique the farmers also have deteriorated in their health and with the deterioration of their health they have not the energy nor the staying power to cultivate well. They have not been as manure-conscious or selected-seed-conscious as they should be for decades with the result that our whole agricultural produce has gone down in quality and quantity. We have to resu-

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\* *Gram Udyog Patrika*—March 1949

scitate our agriculture. Many have thought if fit to solve this problem by the introduction of mineral or chemical fertilizers:

### A Stimulant

Mineral fertilizers do not feed the land. They merely excite it to a certain extent like a stimulant and thereby it apparently increases production without a proportionate increase in the nutritive values, with the result that mineral fertilizers progressively deteriorate the health of animals and men as the food products on fertilizers are not products of a soil that has been fed but one that has been merely stimulated. This effect has been brought out by many experiments which have led to the following conclusion:—

1. Animals fed with wheat grown on land fertilized by farmyard manures were notably stronger though their weight may be less than those nourished with grains grown on lands fertilized by chemical manures.

2. Hens brought-up on feeds grown on farmyard manures laid more eggs than those brought up on feeds from minerally fertilized lands, though the latter were heavier, yet the larger number of the former more than made up in quantity as well. The birds brought up in the former way stayed out of their pen longer than the birds brought up on the latter feed, thus bearing witness to their greater vitality. Even the vitality of the eggs of the hens fed on grains from farmyard manure was greater in that larger percentage of such eggs were hatched and few of them were spoiled by keeping.

3. The manure produced from the refuse of poultry fed from grains raised on farmyard manure also was very effective.

tive compared with the manure of birds fed on grains raised on fertilizer lands, showing that the quality of the manure itself is influenced and improves new growth in the form of seed and feed. In this way the farmyard manure promotes a cycle which leads to a constant improvement from generation to generation.

Apart from these experiments it was also noticed that when animals are given a chance of choosing between feed that is grown on artificial fertilizers and the feed grown on farmyard manure, they instinctively prefer the latter.

### A Danger

In our country scientific fertilizing of our land by mineral fertilizers is an impossibility as we have not got sufficient soil chemists who can analyse samples of soils sufficiently extensively to be able to feed the soil accurately even if artificial manures are to be resorted to. Any excess feeding of the soil with such minerals creates diseases of all kinds. Many experiments have been carried out which show the danger of an excessive mineral content in the soil. The data obtained by Prof. Rost of Mannheim, demonstrates that an excess of potassium in the land is likely to lead to diseases such as thrombosis (coagulation or curdling of the blood) as well as to gangrenes. He observes, "In connection with the potassium nitrate fed animals, they showed a tendency, a pronounced inclination in successive generations, towards thrombosis". He also states that in recent years thrombosis has increased in human beings to about four times its earlier prevalence.

### Disease Resistance

The many experiments that have been carried out show that the seeds and better still the leaves of plants fertilized

with stable-manure increase the capacity for disease resistance when fed to animals as compared with seeds and leaves of minerally fertilized plants; thus showing that the manures not only improve the soil structure but the consequence of manuring projects itself far into the animal kingdom reaching out to man himself. Therefore it behoves everyone of us to take care that such food as we eat is grown on land fertilized with farmyard manure and not with chemical fertilizers, especially where there is a danger in our land of unscientific application of fertilizers for lack of soil analysts. It is not only the farmer who is interested in the manure, but perhaps to a larger extent, the consumer should be made conscious of this as it is he who is likely to suffer by food raised on artificial fertilizers.

#### Medical Use

Taking advantage of this effect doctors are now treating their patients on food which is grown on farmyard manures which are generally called "Biodynamic products". Such feeds are said to affect the functioning of the stomach and intestines favourably. A German dietician writes, "I have recommended these products to patients with main stomach trouble and sluggish intestinal activity and they have been fortunate enough to get over these ailments without medical treatment." "My wide experience, as a dietician with many patients, has convinced me that especially with raw-food diet the biodynamically treated products are preferable in every way to those which have been manured with chemical fertilizers."

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method used in fertilizing food plants". Though we may not be able to say anything very definitely yet in regard to these matters it is clear that soil bacteria do play an important part in relation to our health. We have, therefore, to consider whether it is worthwhile to disturb the interplay of soil organism by bringing in nitrogen in the form of potassium nitrate and by using lime and phosphoric acid, as these disturb and hinder the working of the soil bacteria.

The Government of India is spending over 20 crores of rupees in a fertilizer factory in Bihar and in Travancore also a large fertilizer factory has been established. It is time that the Food Department takes up the case on behalf of the consumer. Already our people are immaciaded by diseases of malnutrition. Need we worsen the health of our people by introducing chemical fertilizers? This is a grave responsibility. We hope the Health Department also will combine with the Food Department and set things right in the Agricultural Department.

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## CHAPTER VI

### \* MARKETING

The Marketing Departments organized by the Government have shown no solicitude for the real welfare of the people. Even organizations run by Christian Missions have shown a lack of grasp of the fundamental principles that should govern such economic devices.

Marketing is the means of exchanging production. In the process of marketing if the values fall, the device is defective and may even be harmful. In judging such values money cannot form the criterion. Especially in necessities values can only be judged by the purpose an article serves. If a farmer has cows and produces good milk the value of that milk is the nutrition it is capable of providing which cannot be measured by money. If a marketing organization is so designed as to draw out every drop of milk, perhaps even without leaving any for the calf or the children of the farmer, it is doing a great disservice to the community however much of money it may put into the pockets of the farmer. An ounce of milk is an ounce of milk, whether it be consumed by the farmer's child, or by the Governor of a province. Simply because the latter is able to pay more money to deprive the calf or the farmer's child of that nutrition is criminal. Here money economy is used to confuse

values and we have to beware. In many places, famine and deficits have been caused by such mixing up of values. In such instances it will be a national service to disband the marketing organization.

Properly used marketing departments should be valves to retain nutrition for the producer and his neighbours and help in the exchange of any surplus for other values that satisfy felt wants without being overweight considerations.

## CHAPTER VII

### \* STARVING MILLS ?

With commendable zeal Premier Omandur Ramaswamy Reddiar of Madras is touring the Province imploring the farmers to surrender their surplus paddy and thus save the people from hunger and famine. The world is being scoured to bring in more food grains to India. Food grains are procured from abroad at fabulous blackmarket prices to prevent people dying of starvation. Ships from the four seas are directed to India to save the situation.

On the other hand a news item whispers in a corner of the papers that the Government of Madras have amended the Madras Flour Prohibition Order, so as to permit the use of the flour of food grains and tapioca in the making of paste or starch.

Is the Premier aware of this ? Or is the campaign directed towards saving the textile mills from the starvation of starch ? Without effecting economies on all sides with what face can we ask the producers of the world to spare us rice and food grains ?

## CHAPTER VIII

### \* (1) ANOTHER RISING MENACE

In rural areas milk is already in short supply. If we sincerely desire the welfare of the people, our attempt should be to find out ways and means of increasing the supply. No doubt the cities are dependent on the villages for their milk. If an organization can be brought into being whereby the cities can run their own dairies in selected areas and be independent of the existing supply from the villages, that in itself will alleviate the distress in the rural areas. Of course, alongside of this programme, we must have the long range programme of increasing the milk productivity of the cow by selective cattle breeding.

Wherever people are in distress we always find some body willing to take advantage of this distress. There are people willing to rifle the pockets of dead soldiers. Thus the distress of somebody presents an opportunity to someone else to take advantage of. At the present time the short supply of milk has provided a golden opportunity for the Indian Tea Market Expansion Board to carry on its destructive work. Mr. M. H. Miles, its commissioner for India, is anxious to push forward to the villages and create the tea habit in the villages. This would imply that by tanning the insides of the villagers and satisfying their hunger by decreasing their digestibility we can automatically lessen their demand for

milk. This is a real menace to the health of rural India. In a vegetarian country the animal protein from milk is an essential constituent of the diet. Any habit, which is calculated to decrease this is harmful to the villages and is anti-social.

Papers carry advertisements "drink tea for stamina" which being a lying propaganda must be stopped by Government, taking the necessary steps to control the advertisements. Indian consumption of tea in 1928/29 was 48.8 million pounds and it has risen in 1945/46 to 130 million pounds. This is an increase of about 266 p. c. and yet they are carrying on a campaign of increasing tea consumption still further. Whatever may be said for tea for the well-to-do who are overfed, it is difficult to support the cause for tea in villages. The work of the Indian Tea Market Expansion Board, therefore, is a menace to the rural areas which are already starving and suffering from malnutrition. We trust the popular Government will do what lies in their power to prevent any irreparable damage being done by the formation of habits which will be injurious to the growth and strength of the village people.

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## \* (2) ONE DRUG FOR ANOTHER

Madras is making laudable efforts at banishing the use of intoxicants. This is all to the good. But in their zeal they are advocating another drink, less harmful no doubt but nevertheless a drug, to take its place. Nearly two lakhs are to be spent in popularizing tea.

Cannot the Government think of wholesome drinks like "*Neermore*" or "*Panagam*" which are common refreshing drinks in the South? They have great nutritive values too. The former is prepared from buttermilk and the latter with jaggery water.

Is the present propaganda dictated by Tea-interests which have taken advantage of the vacuum created by the prohibition programme?

## CHAPTER IX

### \* NERO FIDDLES

Under the presidentship of Sir Herbert Stewart ( Vice Chairman of Imperial Council of Agricultural Research ) the Indian Central Tobacco Committee have passed a scheme for development of Virginia Cigarette Tobacco in Bihar. They have decided to open a number of Research Stations on tobacco at Rajamundry, Anand, Bihar, Guntur etc. They are to publish pamphlets in provincial languages for the dissemination of information about improved methods of cultivating tobacco and they are arranging for demonstration by cinematograph films. The Imperial Tobacco Co. (India) Ltd. has given two studentships of £ 500 per annum for training in tobacco cultivation abroad.

When people are dying on the payments of Calcutta of starvation and the country is facing a famine of great intensity should this tobacco cultivation in the interests of the Imperial Tobacco Co. be the preoccupation of the Imperial Council of Agricultural Research ? A Government pledged to the welfare of the people should reclaim all such land for food cultivation. It should transfer the services of Sir Herbert Stewart and officers of his ilk to the Imperial Tobacco Co. and not waste the taxpayers' money in subsidising the business of British firms promenading in India as "India



Ltd." The whole programme of work of this I. C. A. R. is of this nature. If it is not tobacco it is long staple cotton, or thick rind sugarcane for the mills or groundnut for export. This is the secret of the so called efficiency of the mills to steal the taxpayers' money through public services. Such work especially at these critical times, reminds one of Nero fiddling while Rome was burning.

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## CHAPTER X

### \* RACE HORSES & WHITE ELEPHANTS

Days were when horses were the backbone of the economic activity of Great Britain. At that time improvement in the breed was in the interests of the masses. Racing as the sport of kings was directly related to the wellbeing of the people. Now racing is the sport of gamblers and wastrels. The newspapers state that the Maharajah of Baroda is spending fortunes on race horses and that in England? Is there no remedy to stop this crime?

In our country, dutiful potentates, like Tippu Sultan had taken as their hobby cattle-breeding. Even today the Mysore cattle owe their superiority to Tippu's munificence. The one absorbing interest of the present Maharajah of Morvi is his cattle farm.

Now that power is vested in popular governments, is it too much to hope that turf clubs will be made illegal and the race courses maintained at tremendous cost will be ploughed up to yield food to the people, while cattle breeding will be given its due share of attention?

People have been breathlessly waiting to know how the popular governments are going to solve the problems in regard to food, clothing, housing, education and medical need. While

these Ministers are slowly getting into the saddle, the vested interests are forestalling them by bringing into existence all kinds of white elephants injurious to the welfare of the masses.

It is announced that ten and a half crores are being spent on establishing a fertilizer factory at Sindhri in Bihar. For this crores worth of plant is being imported from abroad.

With the blessings of some of the Provincial Governments again crores worth of tractors are being imported.

With the support of the Provincial Government, Textile Mills, Vanaspati Ghee Factories, Sugar Mills etc. are shooting up like mushrooms. It is not a sufficient reply to say that the granting of licences to start certain of these factories were agreed to by the predecessors—the Adviser Regime. It would be upto the Popular Governments to reopen the question. What efforts have been made to do so? On the other hand we find popular ministers performing the opening ceremony of these Mills. Are these not straws that indicate the direction of the wind? Is it not time that the policies of popular ministries were laid down definitely so that we may know the worst if that be in store for us? If the ministers are not clear in their own minds as to the social philosophy they are supposed to represent, it will be fair to themselves and to the people to lay down the reins of office. It is no use flirting with rural reconstruction in spare moments and being joined together in an unholy wedlock with exploiters who will not hesitate to ruin the countryside to gain a little profit for their miserable selves.

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## CHAPTER XI

### \* YOUR MONEY or YOUR LIFE

The cinemas have made familiar the alternative the hold-up-man presents. In his case the demand is for the one or the other.

In case of the Vanaspati Mill there is no alternative. It demands both money and life!

In 1947/48 there were about 1 crore of acres under groundnut. 21% of the production went to the Vanaspati Mills. That means 21 lakhs of acres were earmarked for these mills. These lands can grow Jawar and two acres of Jawar land will easily support a family of five. Hence the pressure of the Vanaspati mills last year put out  $1\frac{1}{2}$  lakhs of families i.e. more than half a crore souls had their food taken out of their mouths by these mills. Besides during the period India had imported over 130 crores worth of food stuffs. Is this not a subsidy to mills to release food lands for raw materials?

never saw a textile mill to afford them inspiration. Moral giants like Latimer who were British satyagrahis, who were prepared to lay down their lives for their conviction, never saw the power of the steam engine. We may say the Victorian Era was the darkest age in British history culturally whatever its glamour may have been financially and materially. After the Industrial Revolution Great Britain gained the whole world but lost its soul. Why was this?

When Great Britain took to centralized methods of production in textile industry, and was relying for her raw materials on commercial contracts with the southern States of America she found her position was unstable as during the American Civil war her industries were hard hit when the American cotton could not reach Manchester. She realized that if her industries were to survive she ought to have the production of raw materials under her direct control. So she turned to India to ensure her cotton supply and keep her markets for finished goods also under her political control. This was the birth of British Imperialism.

This arrangement was found very satisfactory for the mill owners as they saddled several items of their cost also on Indian Revenues. The cost of research incidental to the production of long staple cotton, the discriminating freight rates, the shipping policy etc. were controlled in favour of the British manufacturers. Thus their cost of production was kept low.

For the political control of raw material producers and markets it is necessary to maintain strong Army, Navy and Air forces. The cost of these again are charged to the state and not to the beneficiaries—the mill owners. Thus it is

that by these unseen and unrecorded subsidies that the products of mills appear cheaper.

In our own life time, such has been the experience of industrialization in Japan also. She finds the need to control politically Manchuria and China. These are the irritant causes of global wars today. Do we want our country also to have a share in these nefarious activities? If not, we must steer clear of centralization in the production of consumption goods for private profit.

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## CHAPTER II

### \* NATIONALIZATION

Since some little power has passed into the hands of popular ministries there has been a great deal of talk of 'nationalizing' various industries and services. The discussions that have taken place reveal the fact that many are not clear in their minds as to the true objective of nationalization. Here it is proposed to set out a few principles that should govern "nationalization."

"Nationalization" presupposes that real power rests with the people, i. e., with the masses. There should be in the first place, a wide foundation of experience in the management of our affairs. This has to be obtained by the villagers looking after their common needs through well organized panchayats. From such experienced men the districts will draw their administrators and these will also supply the requirements of the province in regard to public men and legislators. Such well-based and properly conducted provincial administration will be able to keep under control the Central Government and make it function in the interests of the villagers.

When the Government of the land is in the hands of such tried patriots who will be trusted to hold the interests

of the millions as their first care, then alone can we claim to have a National Government and "Nationalization" will then ensure that the interests of the masses will be taken care of.

In the absence of such a village based and controlled Central Government "Nationalization" may lead to the greater exploitation of the "have nots" by the "haves."

For instance, there has been a lot of talk recently about "Nationalizing" the Airways. These airways, at present, are not within the reach of the villagers. They do not need them nor are they likely to use them. As it is, at the present time, the "haves" own them and use them. So Government control now will mean the Government will spend its money and thought in making "the Airways" easily available to the "haves" while other "haves" will provide the service. Aerodromes may have to be constructed and various roads, etc. provided. For this these private bodies would like to exploit the Government resources and obtain their assistance under the plea of Government control or 'Nationalization.' The funds available to the Government should be earmarked for the provision of facilities for the masses and hence we cannot divert them for the betterment of Airways. Let private enterprises go on as they have done. Some 'haves' will exploit other 'haves' and later on when village based National Government comes into existence we shall have time enough to consider "Nationalization" of such services.



## CHAPTER III

### \* PRODUCTION vs DESTRUCTION

There is a great deal of talk about "increasing production" and "improving the standard of living of the masses of the country." These two phrases are being bandied about at every convenient occasion. But what these phrases mean is hardly ever defined. These words are little more than slogans to capture the imagination of the unwary and to convince the unthinking public, which is generally carried away by much talking.

In a country where people are starving and where there is not enough cloth to go round, these phrases should carry the meaning of providing at least the mere necessities of the people—food and clothing. Our effort should, therefore, be directed towards giving two meals a day where one cannot be obtained today. And our effort should be to enable the people to be clad, at least against the weather, if not to satisfy their aesthetic sense.

Industrialists appear to be more concerned with developing their industries than with the needs of the people, for they say that if India were to develop her industries on a permanent footing the Government must follow a policy of export drive, even though we might have to suffer some privation for some time, and it is their firm conviction that

the industrial development of India could not be put on a sound footing unless the products of Indian industries were exported abroad. They recommend our Government to base their proposals on the principles of an expansionist policy of production advocated by Lord Keynes,—‘the more you eat of the cake the larger it becomes’. They believe that the social objectives of the Finance Member could be fulfilled only by such a policy. The hope that ‘the more you eat of the cake the larger it becomes’, however absurd it may seem to the common sense of ordinary mortals, it can easily be made feasible by these demi—Gods who eat the cake no doubt, but the cake is not theirs but others. Herein lies the secret of this apparent miracle. Of course if they merely ate other people’s cake, their own cake ought to remain constant. But the method of doing this is generally to bite off from the other people’s cake a larger piece than you can eat. That of course makes their cake grow larger

The methods adopted by the present types of large scale industries have been anything but progressive. They are using science to destroy rather than create. This being so it would be well to examine the proposition. When we, with the help of rice mills, produce unwholesome polished rice, can we call it increasing production? Is it not destruction of the production of the paddy by the farmer? Similarly when sugar mills produce white sugar from sugar cane juice and thus provide a less nutritive product, and perhaps devitalise the wholesome juice of the sugar cane, again would we be using the term ‘increasing production’ correctly? Is this also not an instance of destruction of nature’s gifts? There can be an increase in production over what is found in nature, if man’s efforts result in an increase not only quantitatively but also qualitatively. When a farmer sows a seed and reaps

a hundredfold because of his effort, we are justified in saying that the farmer has increased production. But when we look around at most of the efforts of mill-owners and measure their output and compare it with nature's generous gifts, we can only say that the machines have been utilized by man for destruction rather than production, much less for increased production.

### Shifting Crops.

In Bihar and in large sections of the U. P. thousands of acres have been brought under cultivation of sugar cane. Formerly these lands were not waste lands. If they had been waste lands and the sugar cane was an addition to the general production we would be justified in calling it an increase of production. Before the advent of the sugar cane cultivation, Biharis used their lands for rice cultivation and consumed hand pounded, wholesome rice; but now the crops have been shifted, with the result that they cultivate sugar cane and are dependent on Burma for their rice. And Burmese rice comes polished—that means with all the nutrition removed—as pure starch. However much the sugar cane crop may have been increasing the bank balances of mill owners, can we, by any stretch of imagination, lay claim to having increased production when we drive the masses of people from the nutritive rice of their own cultivation to devitalised, polished rice imported from outside? This shifting of crops from food to raw materials for mills is not only a disservice to the country but is injurious to the health of the people. It is not "increasing production" when we are shifting the crop from food to long staple cotton for the mills and to tobacco and groundnut for export. At best it can be said to be pilfering and not production. This is the kind of "increase" that has been taking place in the country and

which has led to considerable distress to the people in meeting their primary needs.

In the same way, in Malabar the former rice lands have been converted into coconut groves and these coconut groves are producing coconuts, not for human consumption but for oil for soap mills. Is producing 'Lux' soap, in however large a quantity, an increase of production when this is done at the cost of people's staple food? The people, who were formerly cultivating rice are at present being given polished rice imported from Brazil. Hence, in the final analysis, the mill owners efforts have resulted in the provision of Brazilian polished rice to the people who were once eating wholesome, unpolished rice of their own production and converted those rice lands into raw material for soap making. Is this "increased production"? And is this striving to "raise the standard of living" of the masses? We can well see that the mill owners have eaten some cake and at the same time the stock of their cake has increased. But what is the state of the common people?

When crops have been shifted deliberately from the production of staple food to raw materials for luxury goods, is it any wonder the country is facing famine after famine? If we really strive for greater production, our endeavours should have by now, brought us to a more satisfactory supply of our primary needs. But when we look around we find that "the country today is suffering from the acutest shortage of food. It is an irony of fate that India, which is primarily an agricultural country, is now dependent upon imports of food stuffs to feed her population." Should we wonder at this state? The fact cannot be belied and the deduction that our efforts, such as they have been, have resulted in decreased production, cannot be missed.

## Standard of Living

In a country suffering from un-employment and under-employment, even the method of production should be such as to solve this great problem. Methods we have adopted so far of "increasing production" have invariably led to increased un-employment. What is known in Western countries as labour saving devices can be better expressed as labour displacing devices, or in other words, 'devices for creating un-employment.' In resorting to these large scale methods of production, mill owners have adversely affected the standard of living of the masses. Our famines are becoming perennial, even at times when nature's contributions have been generous. Is this not an indication that with all this much talk of increasing the standard of living we are really lowering the standard of existence?

People express the hope that the "industrial progress and the prosperity of the 400 million people are inter-related, and that they would not want any industrial development if the 400 million people are going to be in a bad way," "progress must bring progress to all the people and not to a few chosen ones", "we have to think in terms of the masses of this country" etc. We invite their attention to the facts of the case for increased production that have been stated above, and we would like them to consider whether we can increase production of the type they envisage by centralized methods of production in consumption goods. Let them take stock of the increased distress that has come to our land in the wake of our efforts put out in that direction in the past.

We are all one with those who want to advance the cause of the masses and strive for the progress of the country. But we would submit that this must be done

scientifically, not merely to satisfy the greed for acquisition of wealth for a few. So far as we have seen, Science has been harnessed, not for production but for destruction. May we hope that with the advent of Swaraj the point of emphasis will shift from material production to the welfare of the people ?

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## CHAPTER IV

### \* SCIENCE RUNS AMUCK

Early this month the foundation stone of the National Chemical Laboratories was laid at Poona. We trust the scientists will turn their ingenuity to help the small man.

Village industries have been struggling on their own merits against an artificial current set up by the paddles of large scale industries. In season and out of season propaganda is carried on against the small producers. Real progress and the best utilization of national resources are best achieved through village and cottage industries, and large scale industries are wasteful though all scientific laboratories are focussed to help them.

We have previously drawn attention to the way the bullock ghanis and dairies are being crushed by financial interests pushing up oilmills for the production of 'Vanaspati' and how even the Central Government is helping on this programme by sanctioning new mills and shutting their eyes to the evils caused by mills and mill industries.

In spite of scientific evidence to prove the injurious effects of using polished rice on the health of the people, the rationing machinery has been used to distribute only polished

rice regardless of the consequences to the people. Why could not our popular Government follow the healthy lead given long ago by Travancore by banning all rice mills?

Since last November the Central Government has been circularising all the Provincial Governments to discourage hand processed sugar. A scientific approach to this question will indicate that thousands of acres of the best lands can be brought under the cultivation of cereals etc. if we can utilize palm trees growing wildly in the jungles and on waste lands. Palm gur and sugar can be obtained from these trees and such a programme will be complementary to the introduction of prohibition, as it will afford employment to thousands of displaced tappers. But then the strongly entrenched sugar mill interests are opposed to such a scheme as it undermines their industry. The Government seems to have ears only for such.

Nutritional experts tell us that gur is a wholesome food containing minerals, vitamins and sugar. While mill sugar is a simple chemical for producing energy because it lacks the ingredients necessary for its own assimilation it draws the needed materials from other items of food taken. Hence the Americans term the white sugar a "devitalising food." Even as between hand processed sugar and mill sugar the former is more than ten times richer in iron contents. In spite of this in favour of hand processing of sugar the Central Government wants the hand process discouraged. In many places factory made white cube sugar is outside ration. So the rich can buy without any limit but their purse.

The ever obliging Provincial Governments only need the sign to take drastic measures. The U. P. Government by its



Khandsari Sugar Control Order of November '46 is dealing a death blow to both Khandsari Sugar and Deshi Chini producing industries.

The trend of events seems to be such that we shall end by hanging ourselves with "scientific" ropes. Our governmental machinery appears to be set to destroy the industries of the common man by the introduction of labour-saving devices which may be otherwise termed "employment reducing instruments." Is it scientific to introduce such in a country teeming with unemployment and under employment?

At Lyallpur Agricultural College the Principal is a specialist in *maida* production. They have various kinds of electric machinery to remove all nutritive elements from wheat leaving purely starch behind. There is a revolving electric bakery also. The objective is to produce white bread, slices of which will be uniformly patterned like a honey comb. This can best be attained with whitest *maida*. Should we not more scientifically and truthfully designate this Principal as "a specialist in food destruction"? Is there any place for such in a famine stricken land?

We in India, seem to be possessed with a mania to destroy all nutrition provided by nature by the use of mill-white rice, white sugar, hydrogenated oils. Is this where science is leading us?

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## CHAPTER V

### \* LESSONS FROM RUSSIA

Speaking on a cut motion in the Legislative Assembly recently Pandit Jawaharlal Nehru, the Prime Minister, in the course of his speech defending the obtaining of furniture from Stockholm for the Embassy at Moscow said, "It just is not possible to furnish in Moscow. You get an empty house. We thought of sending things from India, but it was almost physically impossible, unless we spend vast sums over aeroplanes carrying chairs and tables from here! Of course, it could be furnished alternatively with Russian furniture. The Russian people, and all credit to them for this, ever since this war, are so intent on doing what they consider to be the fundamental things, that they refuse to waste their time on accessories of life. They have to build up their country after the most horrible sufferings and damage they suffered in the war and they are building it up in regard to the major under-takings. They go about in torn clothes and broken down shoes, it does not matter, but they are building dams, reservoirs and factories and the rest which they consider more important. So it is not easy to get any of these small accessories of life for the moment. The result is our Embassy in Moscow had to go to Stockholm for its tables and chairs."

Russia made tremendous sacrifices after the 1917 revolution and built up an economy which was the admiration and

wonder of certain types of economic thinkers. After 30 years of forced-pace planning and repeated stepping up of their production plans we find Russia is not able to supply even tables and chairs and they have to be content with "torn clothes and broken down shoes" !. Why? This is a lesson for India to sit down and think before she takes to the same line of action.

Russia built enormous "dams, reservoirs and factories" after the first world war at a stupendous human cost. Where are they now? Once again they are building "dams, reservoirs and factories." How long are they going to last? Will history repeat itself in another twenty years? The people are now said to be again "going about in torn clothes and broken down shoes." What has been the benefit to the common man of all the sacrifices that have been made? How has the world been benefited? May India draw its lessons?

May we take a lesson from the Russians that they are 'intent on doing fundamental things.' In India we have not even "clothes" to be "torn" nor "shoes" to be "broken down." Our fundamental thing is food for the very existence. Under these circumstances whether India obtains "tables and chairs from Stockholm" or not is not the thing that will affect the people of the land. One would imagine obtaining food is a greater 'fundamental need' but the planning that the Government of India does today ignores this very need and is directing its attention to the frills of life which the Embassies are to the imperialist nations. They are not even "small accessories" to an agricultural country like ours.

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## CHAPTER VI

### (1) \* MAN OR BEAST

The so called "labour saving devices" in lands where man power is scarce, develop into "unemployment creators" in countries where there is a surfeit of labour. With the advent of "labour saving devices" the artisans are thrown on the land in the first instance. Then the pressure becomes so great that the man is obliged to compete with beasts of burden for the "husks that the swine do eat."

This is the position of the rickshaw coolies. They are competing with tonga horses. A tonga needs a horse and a driver to guide it. Now with the rickshaw the horse is eliminated and the coolie does both, the work of the horse and that of the driver, at a lower charge. Thus falls man from the human state to that of a beast of burden. Man is not physically built like a horse. This change overworks his heart and he finds an early grave along with his morsel of bread.

Any society which allows of such degradation is guilty of inhumanity. People have organized societies for the prevention of cruelty to animals but is there no one to heed the cry of those who are driven by poverty and dire necessity to envy cattle feed.?

At least at one place, with the dawn of freedom, society is waking up to its duties.

At Medan, Sumatra, the Chinese community has purchased and destroyed the ninety rickshaws that were plying in the town. The coolies were given 100 guilders each and were either repatriated to China or were found other jobs.

Will our rickshaw ridden cities like Madras and Nagpur take a leaf out of these and demonstrate that their social consciousness is awakening? Madras is planning to license this nefarious traffic instead of banning it! Will the advent of swaraj mean anything to the section of humanity reduced to this plight?

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## (2) \* PUBLIC CONVEYANCES

A news item states that the Madras Government desire to ban rickshaw pulling on humanitarian grounds. We have come to such straits that man has had to compete with beasts of burden to eke out a living. We hope the other provinces will follow suit.

Local transport is one of the occupations that should be open to the masses. Replacing tongas and jutkas by buses is a bad economy. Tonga building is a flourishing industry in Lahore, Peshawar and many such cities. Every bit of the money spent on these circulates in the country bringing food and clothing to thousands of homes. Similarly maintenance of horses also helps to bring employment of thousands of persons including women and children. The running of buses, on the other hand, exports employment abroad. Lakhs of rupees are spent on the vehicles, the fuel and accessories and only a few drivers and cleaners find occupation. Petrol being a commodity in demand internationally, it forms the main bone of contention between nations and forms the focal point of global wars. Hence, we would do well to sit and take note before we plunge headlong into mechanised means of transport.

Even in this short time a great many transport services have developed into monopolies. This is a danger we have to be constantly on the watch for, otherwise our remedy will be worse than the disease.

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## CHAPTER VII

### \* RIDING TWO HORSES

The present ministry at Madras is dropping one by one the progressive items on the programme of the Prakasam Ministry. The following communique has been issued on their present textile policy:—

"In April 1946, the Government of India allotted 352,000 (200,000 coarse and 152,000 fine) spindles to this province under the Post-War Development. These spindles were allotted on the recommendations of this Government to nine existing mills and 25 new mills to be started in this province. The Government of India also sanctioned the issue of capital and granted import licences in all these cases. The promoters of the several mills have proceeded with the construction of the necessary buildings, invited and collected share capital and placed orders for the machinery. These mills are at present in various stages of development.

When subsequently the Government of Madras launched a scheme for encouraging hand spinning and hand weaving in the province, they considered that the expansion of the mill industry might impede the progress of the Khadi scheme. They, therefore, revised their policy in regard to the textile mills industry and surrendered to the Government of India the spindles already allotted to this province. The managements of the mills who had secured allotments of spindle were informed accordingly.

The Government of India, however did not agree to cancellation of the allotments already made on the ground that it would amount to a breach of faith on their part and involve them in litigation. This Government urged the Government of India to reconsider their decision, but the Government of India only reiterated the view that they had taken. In view of this attitude of the Government of India, this Government have anxiously studied the whole question and feel that both for moral and legal reasons they should not insist on the surrender of the spindles allotted to this province. They have accordingly decided to withdraw the surrender of spindles already offered by the Government of India.

Government wish to make it perfectly clear in this context that the acceptance of the quota of spindles allotted to this province does not mean any departure from their khadi scheme the intensive part of which has already been introduced in 7 selected firkas and extensive part of which is proposed to be shortly introduced in 27 other firkas. The scheme, which has been formulated in consultation with the All India Spinners' Association, will be pursued vigorously and it will give effect to the resolutions passed by that body at Delhi, on 9th October, 1946."

One would like to know what are the "moral and legal" reasons which have compelled them to take "a step advantageous to vested interests. An appeal to higher values is always commendable but the validity of such an appeal should be made clear.

In this particular instance presumably the moral reason is the sanctity of a promise made by Government to a citizen. If the fulfilment of such a promise would militate against the



welfare of the public it would be the duty of the state to retract its hasty word and, if needed, compensate the loss the citizen concerned might have been put to. After all the considerations in these cases are purely material and, financial at that. No mill owner is running a mill for his spiritual uplift or for the purity of his soul. Hence his loss can easily be made good. Such a course should also satisfy any legal requirements. Even if there be other legal obstacles, such not arising out of the immutable laws of the Medes and the Persians, nor being written on tables brought down from heaven, but being only man made regulations, are to be changed to suit the varying needs of every day life.

The reasons given in the communique, therefore, are not convincing. It blows hot and cold in the same breath in advocating the khadi programme while at the same time promoting new mills and enlarging the existing ones. These two schemes cannot flourish side by side. If the Ministry wishes to toe the millowners' line they should do so openly and whole heartedly and not resort to subterfuges.

Besides, the Government of India Act of 1935, under which it is claimed that the regulation of textile mills comes under the perview of the Central Government, will be a dead letter next year when the British quit India. The textile policy is a long term consideration. An Act that is to be effaced from the statute book in a matter of few months ought not to be allowed to influence our future plans.

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## CHAPTER VIII

### \* GOODWILL WITH WHISKY

When new industries are started various devices are planned out to bring it into general favour. Tobacco companies have distributed free drugged cigarettes to enable persons to acquire the habit of smoking and to cultivate a taste for the particular brand. We are familiar with the methods of Tea Cess Company in India handing round free cups of tea to popularise their product. There are legitimate limits to which a programme may be carried. It must be strictly limited by considerations of the welfare of the public and the worthiness of the cause.

Recently the "Air India" extended its service to Great Britain as the "Air India International". This is a new venture which has to compete with giant services such as the T. W. A. and the Pan American. The Air India International is financed as to 51% of its capital by the Government of India and the balance from the public, and the management is a Tata organization. Usually the fares charged include an amount for food on the way; but most Companies make separate charge for strong drinks, if any supplied; but on Air India International whisky and soda are distributed free to the passengers. It seems to us that a concern sponsored by a Government which stands

for advocating prohibition should reflect this policy. Some of the provincial governments in India are throwing their weight and influence on a scheme of prohibition. Are we to conclude that Government of India is against that policy? Or is the Air India International Limited building up their goodwill at any cost without considering the means?

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## CHAPTER IX

### \* (1) ORISSA'S SUICIDE

One of our poorest provinces is Orissa. As a consequence of the last war it has been impoverished further. When we talk of the economic condition we have in mind the common farmer and the villager. It does not, at this stage, require any exposition of the fact that centralized production accumulates profits to "haves" and creates unemployment and distress for the "have nots". To relieve poverty and unemployment, therefore, we need to spread industries which distribute wealth and bring employment to the largest number. Such is khadi production to relieve shortage of cloth as quickly as possible.

The ill advised Orissa Government is the first to take the bait of provincial spindle quota scheme and had obtained an over-riding priority for the import of plant machinery for the new company, "Orissa Textile Mills Ltd," for its 25,000 coarse and 19,000 fine spindles. They are awaiting permits for steel, cement and coal to start construction work at Cuttack.

For this company, under the most favoured terms, to start production it will take about three years. In the meanwhile the cloth shortage will grow from bad to worse; and by the time the mill begins functioning, the U. S. A., Great

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\* *Gram Udyog Patrika*—February 1947

Britain and other countries, which are pushing forward with all their might and main their export trade, will be comfortably settled in the market. Will the Orissa Textile Mills be powerful enough to oust them?

We are sorry that the Orissa Government has taken this short-sighted view and has introduced a scheme which will bring greater distress for the masses than the one they are suffering from now.

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## **\*(2) ORISSA'S TEXTILE POLICY**

There is a good deal of loose thinking in regard to the policies to be followed by the popular Governments to improve the condition of the people. The note we published "*Orissa's Suicide*" has called forth an explanation from the Premier Mahtab which we gladly give below:—

"With regard to the first paragraph of the note there are not two opinions on the subject and I entirely agree with you on all points there. So far as the second paragraph is concerned, I am greatly surprised how you could say that the Orissa Government is the first to take the bait of provincial spindle quota scheme and had obtained an over-riding priority for the import of plant and machinery for the new company, *Orissa Textile mills Ltd.* I wish you had cared to collect authentic information from official sources, not from your friends here in Orissa. I give you the following materials for your information. I know your comment is based upon some propaganda carried on beneath the surface, about starting of textile industry in Orissa. I think the materials I supply will correct your misinformation.

The Post War Planning Committee (Textile) were appointed by the Government of India in February 1945, under the chairmanship of Mr. D. M. Khatau. This Committee submitted their report in November 1945. In that report they divided the whole of India into several zones declaring only Bombay as a surplus area and the other zones as deficit. Of these zones, Orissa, including the States, is a deficit zone

to which permission to instal 1,50,000 spindles in total was recommended. The Textile Commissioner reduced this quota from 1,50,000 to 1,19,000 and the Government of India asked the Provincial Government to send their recommendations allotting spindlage to different firms by the 15th of April 1946. It may be noted here that the same instructions were sent to other provinces also. In Orissa, Congress assumed office on the 27th April, 1946. Here the Provincial Government could have informed the Government of India that in view of the change of the Government in the province the spindlage allotted to the province might be cancelled. In that case the firms, to whom allotment had been made, could have started their industries in the neighbouring States or the spindlage would have lapsed to Bengal according to the instructions of the Government of India. It was also likely that the Government of India might have thrust the spindlage on the province in spite of protests from the province as has happened in the case of Madras. Any way, the Provincial Government did not move the Government to cancel this spindlage to Orissa in 1945. In the meantime continued discussion went on in the Party and also with the other Provinces about the textile policy the Provincial Governments should follow. The decision of the Orissa Congress Assembly Party is attached herewith for your information. But it may be noted that except Madras no other province, specially the province of Bombay, which is admittedly the only surplus zone with regard to production of textiles, did make any move in the matter.

On the 4th November, 1946, the Government of India again expressed their anxiety to give special consideration to the claims of the industrially backward provinces with regard to import of machineries. In that letter, however, the Government of India requested the Provincial Govern-

ment to inform them at an early date as to the parties in the province who qualified for priority on the grounds explained by them in the letter under reference. Because of the policy of the Government of India not only our textile mills but the other industries also are receiving special consideration in view of the fact that Orissa happens to be an industrially backward province.

From the above materials you will please find that though Orissa did not and could not take the lead in preventing textile mills to be set up in Orissa, she did not take the lead in setting them up here. I had correspondence with Jajuji on the subject. In my humble opinion the policy with regard to the production of cloth cannot be determined on provincial basis. Unless an all-India policy is fixed up, it is futile for a single province, specially for a province like Orissa, which has to import the entire stuff from other provinces, to bring about a revolutionary change. I do not think the argument, that whatever may happen in other provinces and the States, Orissa should have a policy of its own with regard to the textile production, can hold good.

It would be really helpful to us who agree to the principle you have enunciated in the paragraph of your comment, if you can suggest to us, in details, how to solve the practical problems which we as Government, have to face everyday; otherwise uninformed criticism does not lead us anywhere."

The Orissa Assembly Congress Party's statement of policy referred to is the following:-

"The party believes in the establishment of the self-sufficient rural economy based on charkha and village industries in the place of the existing money economy based



on competition and centralized large scale production. The party fully realized that without a radical reconstruction of the socio-economic structure along lines indicated by Gandhiji, world peace will ever remain a dream. It was at the same time alive to the fact that it required immense patience and perseverance to attain this objective and that it was not a matter of few months or years. In the opinion of the Party it would take fifteen to twenty years to fully build up the new social structure, provided the State and the national organization fully co-operated in whipping up popular enthusiasm in this stupendous work. Any attempt to bring about this change by Governmental action alone, whether of a positive or negative character, was sure to prove abortive. The Committee considered the question of completely eliminating cloth produced in mills from the Province in this broad perspective. In this connection it also considered the question of the establishment of the Textile Mills according to the quotas allotted to the Provinces. After a threadbare discussion in the Party, it was felt that during the transitional period, till the Province was able to fully meet its cloth requirements by handspinning and handweaving, it could be more desirable to depend upon textile mills of the Province started and run under the control of the Provincial Government than upon the powerful Mills of Bombay and Ahmedabad. The Party, however, made it clear that it would throw its full weight in favour of the policy of prohibiting the starting of any new Textile Mills, provided the other Provinces or at least those administered by the Congress, agreed to follow it, or even otherwise, provided the existing Textile Mills in the country and those that will be started new were fully nationalized and brought under the full control of the state."

With reference to these the following reply has been sent:

"I am thankful to you for the explanation offered in regard to the Textile Policy of the Province in your letter of the 2nd Feb. 1947. I am afraid you had taken my criticism as levelled against you and the Congress Government and so have taken pains to absolve yourself of the responsibility by referring to the date of your assuming office. You also presume I had been carried away by propaganda material.

Nothing was further from my thought than allocating responsibility to anyone. I have not even mentioned the Congress. I referred to the "Orissa Government" which will naturally mean the Government of the day when the action was taken.

I had no contact with anyone carrying on any propaganda. I gathered my information from the authorised prospectus of the company published in such responsible Journals as the "Indian Finance" and "The Eastern Economist." A prospectus is an authentic source and is semi-official.

In offering the explanation you have done, you have yourself assumed the responsibility as you state "The Provincial Government could have informed the Government of India that in view of the change of the Government in the Province, the spindlage allotted to the province might be cancelled. But this was not done." What counter moves would have followed this action on your part is not to the point. Because someone else would do the wrong thing it is no excuse for us to forestall it and do it ourselves.

The statement of policy of the Orissa Assembly Congress Party quoted by you only pays lip sympathy to Khadi and

discloses no living faith in it. Self-sufficiency in Khadi does not call for an all-India Textile policy, especially in a province like Orissa where the vested interests are not so strong. The unit for self-sufficiency in cloth is the home or, at the most, the village. Such being the case it does not call for a nation-wide unit to launch on a Khadi-programme. Hence, I am afraid, I cannot agree that "the policy with regard to the production of cloth cannot be determined on provincial basis." If you agree to the principle enunciated in the first paragraph of my article, as you say you do, the simple corollary to it would be a programme of self-sufficiency in khadi. That is the surest and the quickest way of meeting the cloth shortage.

This is more true of Orissa than other provinces because of the extreme poverty and unemployment prevalent there. The purpose of any economic programme is three-fold. It does not merely meet the material need but provides gainful occupation and at the same time opportunities for the development of personality. The mill industry merely provides the material which is the least important of the three functions. When people buy such goods they part with their other production in exchange. But when they produce their own cloth there is no exchange demanding their other produce, which latter, therefore, is not depleted. It is for this reason I hold, that mill industry cannot serve any purpose other than the exploitation of the people of Orissa."

This correspondence only underlines the need for a co-ordinated policy of the Congress as a whole. It was to meet such a situation that the Allahabad Conference laid down some suggestion.

## CHAPTER X

### \* WHEN A BULLOCK GHANI IS FURNITURE

The Railway Priority Rules have been used to kill Village Industries. The interpretation of Priority Rules will be amusing were not the results so tragic. For months on end we have not been able to send out equipment for village industries such as paddy husking, flour grinding, oil pressing, bee keeping, paper making etc. because of the ludicrous ideas railway servants have. As our implements are made of wood they refuse to classify them as "Machinery and its parts or tools". According to them machines etc. are always of steel or iron. So we cannot be placed under Class IV "Maintenance of Industrial Production". Hence the Ghani is classified as "Civilian" furniture! which is class VI and even the ghani models, about 1 foot in height, are so classified. Stone chakkis are classified as personal luggage!

It is interesting to note that cigarettes, liquors, empty bottles etc. get a priority over us as they are placed under Class V.

The clause provides for the transport of paper from "Mills". The Railways refuse to book hand made paper because we do not call ourselves a "Mill". The Chief Traffic

Manager writes that " paper cuttings is considered as raw material, only when consigned to paper Mills" and that as we are not a "Mill" it cannot be booked for us as "raw materials". Can stupidity go further ? Or is it a wanton attempt to destroy artisans ? Because these are not the whims of an ignorant "goods clerk" but the obduracy of highly placed officials at Headquarters.

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## CHAPTER XI

### \* CONTROLS AND CONTROLS

Government controls are the order of the day, but how many of these controllers understand the principle underlying controls? Controls are being used indiscriminately and their very purpose is being frustrated.

Where return on capital and profits is the objective of a business—as in centralized industries—price control checks accumulation of wealth and profiteering. On the other hand, in decentralized industries, where the return the artisan gets is a wage, such price control will act as an obstacle on distribution of wealth. The latter is harmful in a poor country like ours.

Where certain articles are produced both by the centralized methods and by the decentralized as in the case of cloth or oil, price controls may be applied to mill products but not to handmade goods if we follow the fundamental principles of public finance and abstain from restricting the much desired distribution of wealth.

Many Provincial Governments are killing village industries by their indiscriminate use of price controls. Practically, they have brought the Ghani oil pressing to the brink of

ruin by their control of prices of oil seeds, ghani oil cakes, and oils. Is it too much to expect that our representative governments will alter this state of affairs by an intelligent use of controls ?

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## CHAPTER XII

### \* INFANTICIDE

One of the methods of controlling over-population practised since time immemorial is infanticide. Centralized method of production, if it is not to commit suicide, has also to resort to controls. Price mechanism is a well-known practice. Cartels, combines and trusts also play such a role. But these have mostly been used to check production of supplies. To meet the requirements of war, production had to be given loose reins to build up reserves. Now that the need has passed these reserves, if allowed to enter the market, will depress business. These goods that form the reserves, have already been paid for out of public funds. Hence to keep them from the market for consumption goods the surest and the easiest course is to destroy them. Destruction of over production is as essential to centralized industries. To say it is irrational is to confess that one does not understand the rudiments of centralized industries in consumption goods.

Therefore, when we read that aeroplanes and Rolls Royce engines are being destroyed at Bakshi-Ka-Talao, aerodrome and at Phaphamow about 2,000 bicycles were laid down on the ground and steam rollers went over them, though this seems the height of madness, we must accept being all in the day's work as long as we countenance the



use of large scale centralized production units. The present economic order cannot function without such periodic destruction by wars, while there is business depression and by steamrollers while there is over production. To appear surprised at such essential destruction can only be described as "naïve".

What is taking place is not "vandalism" but infanticide of large scale industries.

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## PART IV

### TAXATION ETC.

#### CHAPTER I

### \* WANTED A PHILOSOPHY

The 15th of August last saw our leaders in the saddle. The equipage is all set and well caparioned, but we appear to have no destination to make for. We do not seem to have any definite idea as to the state and social organization we need. Constantly we hear the slogan, "we want to raise the standard of living", "we want to increase production", "we want to bring about freedom from want", but what are the means to be adopted and what will be the concomitance of our working towards the needs we wish to attain and whether by leading this life on earth we wish to achieve some objective and what should be the function to be performed by the Government and what functions by the people, all these are not very clear before us. As a result of this fogginess we are constantly coming up against all kinds of incongruities which lead us into quixotic situations.

The Finance Member of the Government of India, Dr. Shanmukham Chettiar, has shared with the public a few of the problems he is faced with. He says that he has been requested to furnish the Moscow Embassy with Swedish furniture etc. costing Rs. 25,000/- Another request, he says,

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\* *Gram Udyog Patrika*—November, 1947

is for him to purchase for another Minister, Persian carpets for Rs. 40,000/- Similarly various Embassies, according to the last budget, have cost over Rs. 18,00,000 of foreign exchange. These are causing our Finance Member a headache and rightly so.

Whether poor India should be asked to support her expensive Embassies and princely Ministers or not depends on our objective. It is no good criticising the expensive programme if our aim is to follow suit in industrialization, the programmes of Great Britain and America. Industrialization accompanied by international conflict, wars and atom bombs, requires such expensive pomp and show. If we want to take up this course, we must say that the above demands are even modest !

On the other hand, if we accept the simple life and a peaceful environment with plenty of primary needs for the people and a guarantee of full occupation to the unemployed, the way that would lie before us would be totally different and will call for curtailing our budget considerably. Therefore, before we can say whether Rs. 25,000 is a modest sum for furnishing a house or whether Rs 40,000 for carpets is not compensated by the privilege of supporting the skilful artisans, is a question to be decided only when we have a clear conception of the political and economic philosophy. It is well for us to sit down and make up our minds as to the kind of India we want to build up and the place she should occupy in the Council of Nations.

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## CHAPTER II

### \* WHO SHOULD CALL THE TUNE

The relation between Great Britain and India has given rise to many queer conventions but none of them is as strange as our present financial relationship. Generally the creditor has the say in matters relating to terms of the debt. Because of the subordinate position of Delhi to Whitehall, Britain our debtor, seeks to dictate to us, the creditors, as to what she will pay and how she will pay her debt.

Before any steps are taken to negotiate terms of payment of the sterling credits it will be necessary for Free India to appoint an impartial commission to go into the whole financial relationship between Great Britain and India. This was the recommendation made by the Congress Committee appointed in 1931 to study our financial relationship in regard to our so called "Public Debts." They found most of them were made up of cost of Britain's wars and her expenditures of various campaigns in the East and in Africa and Afghanistan.

Now again in the last war enormous amounts have been charged up to us. Though India was not a consenting party to this war, over 1700 crores have been debited to us as cost of the war and over 400 crores have been written off from our credits against the old debts challenged by the Congress Committee and still we have over 1600 crores to

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\* *Gram Udyog Patrika*—February 1947

our credit. Thus, within the short span of seven years, India has been mulcted of goods at Government controlled rates to the tune of 3700 crores. These charges will have to be accepted by Free India before any settlement of the final balance of the account with G. B.-the Sterling balances-can be thought of.

A delegation from the United Kingdom is to discuss the problem of the Sterling Securities with the Finance Department and the Reserve Bank. This is a little premature. Free India has to have a voice in the matter and it should not be forestalled.

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## CHAPTER III

### \* (1) DEBTOR, JUDGE, AND JURY

In a previous issue we had indicated how the present Sterling Balances are but the resultant of many items of expenditure that have been debited to India, and later appropriated out of our revenues and other items representing goods taken away from India, not on a contract basis, but more or less, on a system of confiscation. We had pointed out that these debts, if properly scrutinized and adjudicated by an impartial tribunal, will show a credit balance to India of about five thousand seven hundred crores. We have also suggested an impartial judicial tribunal to be appointed to go into all transactions of public debts and credits since the days of Clive to the present day.

A few days ago Dr. Hugh Dalton, the Chancellor of the British Exchequer, threatened to use the giant strength of Great Britain in repudiating her legitimate dues to her creditors. The nobility of strength lies in using it in the defence of the weak and the needy, not in terrorising the world to do the will of the wielder of the big stick.

Now comes the news that to a question in the Parliament, raised by Col. Crosthwaite Eyre, asking if Dr. Dalton's statement that the war debts owed by Great Britain are to be very substantially scaled down represented the British

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\* *Gram Udyog Patrika*—July 1947

Government's policy, the Prime Minister, Attlee, replied saying that "there is nothing new in this policy which so far as the Sterling area Countries are concerned, was set out in Article 10 of the Anglo-American agreement of December 13, 1945."

When it suits the parties they preach the high principles of sanctity of contracts and the fulfillment of obligations, and when it does not suit them they come out with excuses which will not appeal to anybody but themselves. When India was a debtor, we were not even given a hearing when we questioned the accuracy of the debts. And these very debts have been settled by the Britishers themselves paying themselves out of Indian revenues, the public of India having had no voice or say in the matter.

By an adventitious circumstance now India stands as a creditor. These credits were not piled up by India supplying war materials on her own volition. Whatever was needed was taken away by the British Government of India and in return, paper notes were substituted, resulting in untold suffering caused by mal-adjustment in the economic organization of the country. Ultimately we can trace, not only the Bengal famine, but even the recurring famines since, to this disruption of the economic structure. The poor people of India have not only suffered physically but millions have lost their lives as a consequence. It would therefore, be seen that the claims of Great Britain to scale down her debts are not tenable.

When a powerful debtor country wishes to get out of its obligations there will be nothing to prevent dissatisfaction, hatred and ill-will between the parties. These are the seeds on which global wars are raised. If you wish to prevent the

mighty relying on their might to suppress justice and fair play, we ought to have an International Tribunal to adjudicate on such matters. Would it be possible for the UNO to bring into existence such a body to which these and other such questions may be referred and thus prevent the debtor himself playing the role of the Judge and the Jury?

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## \* (2) DOUBLE NEGATIVES

We were taught in our youth that under certain conditions double negatives may be used to create a positive effect. One wonders if this can be carried into finance to such an extent as to make a double loot a gift. This appears to be, however, the method of procedure suggested by His Majesty's Government for compensations being paid to the I. C. S. and I. P. S. men on the formation of an Indian National Government. The very fact that these men do not wish to serve a National Government confirms our fears that these services were not national services but British services to hold the Indian nation in subjection. Therefore, even in the first place they should have been paid out of British Treasury, and now when they are not willing to serve a popular government we are asked to pay them compensation, which would amount to somewhere in the neighbourhood of 20 crores of rupees, and the irony of the thing would appear to be in that, even the Indian members of these services are to be compensated. Should we take it that such Indian members, who leave the services and wish to be compensated, will also be expected to leave our country and go and settle down in their adopted mother country—Great Britain—to which presumably they prefer to owe their allegiance?

However it may be, the financial policy is in complete alignment and keeping with the idea of rewarding Indian soldiers out of Indian assets for fighting for Great Britain, and keeping India under subjection as an army of occupation.

We would suggest, that if logic is to prevail, such service men who would choose not to serve a national Government should be paid what compensations that may be due to them, not out of the Indian funds but out of the British Treasury. In the same way, the rewards that are given to the Indian soldiers should also be borne, if England were to be honest, out of British Treasury. It is a recognized principle that all Agents should be paid for by their principles. If these servicemen and the Indian soldiers were agents of the British Imperialism, is it too much to expect that the imperialists should bear the cost of their agents?

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## CHAPTER IV

### \* THE MODERN DEBTOR

It had all along been accepted in the past that the man who pays the piper calls the tune. The creditor usually dictated terms to the debtor. India has attained independence but has not increased her bargaining capacity. She is the acknowledged creditor of Great Britain for about 1200 crores after making all manner of unilateral deductions from her credits. A delegation led by our Finance Minister went to London to settle the terms of agreement regarding the settlement of Sterling Balances. The outcome of it is that Great Britain, whose income is over £ 8 million has successfully pleaded that it is impossible for her to pay in the near future the amount that she owes to India which is less than 1/6th of her annual income. In ordinary life we would consider it absurd for a man who earns Rs. 8,000/- a year to plead that it is beyond his capacity to pay off a debt of Rs. 1200/-. Yet our debtor has successfully convinced our representatives that the situation calls for a very long term settlement.

After the devastation brought in India by the British and American forces using India as their base for Asia in the last war, our rural parts require a considerable amount to be spent on development. The credits were obtained by England taking by political power commodities from India

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\* *Gram Udyog Patrika*—August 1948

for war use. Now they plead their inability to return the amount in a reasonably short time. We require a great deal of capital to develop our rural areas. Erosion has to be stopped, irrigation works have to be developed and canals have to be built. These are all items on which the recovered amount of Sterling Balances should be spent; but it would seem as though interested parties are anxious to lay their hands on this wealth so that their own programme of industrialization may be stepped up. Our negotiators have been more than anxious to obtain capital goods for industrialists of India. When we look at this question it would seem wrong to obtain these Sterling Balances and use them for the benefit of the industrialists while leaving the countryside which built up the credits, to suffer for lack of materials. We had suggested previously also that this money when recovered should be utilized for the purpose of betterment of the village people. We cannot take the money that belongs to one section of the population and give it to the other section; but unfortunately industrialists in our country are almost as powerful as the industrialists abroad, and therefore they are influencing the Government to agree to financial terms which would certainly be detrimental to the interests of the rural population.

We trust that as and when the money is realized, the Government will see its way to spending it in rural areas for the benefit of the people.

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## CHAPTER V

### \* WHY DO WE PAY TAXES ?

All theories of political science hold that the Government is but an agent for the people to enable them to carry on their business in a better way than they themselves can. Therefore, there will be no purpose in keeping up the Government if the people can manage better without it.

Taxes are paid to the Government to enable them to function for this particular purpose. The payment of taxes carries with it a hope that the Government will function for the people. On the Government side, on the other hand, the right to collect taxes carries with it an obligation to spend it for the benefit of the tax payer.

Under the Imperialistic regime, the obligations to the people did not receive due consideration. But now that we have some measure of popular Government, we hope that the Government will begin to serve the interest of the people.

To the farmer the Government should supply water, stop erosion, disseminate weather forecast and render other facilities for the production and distribution of commodities. If plantains are to be grown, if necessary, the Government should have agencies properly arranged to make available saplings to the growers and so all along the line.

In the case of village industries, Government should also render similar help in production and distribution and as far as practicable the Government should also become a consumer. Only by these means can the Government help functionally the economic life of the people. If paper is made by villagers, the raw material should be made available and the paper as made should also be patronized by the Government offices.

It is for these functions that the people are prepared to share part of their income with the Government. This is really the purpose of public finance. A Government that does not render these services to the people has no right to collect taxes: nor is there any moral obligation on the citizens to pay taxes. The citizen is entitled to ask what the Government has done in return for the taxes he pays.

In many provinces sales tax has been imposed on cottage industry products, while the Government renders no help to them and in preference to such products, uses foreign or mill made goods. When a Government does not use hand made paper and renders no other help in the manufacture of the paper, it can have no right to collect the sales tax on the sale of hand made paper. If it does, it is both immoral and an impediment to the economic life of the people.

Even as regards public services the villages get only a raw deal. The police cluster round the Ministers like flies on dirt but they are never to be found in rural places or small towns to protect the people or to prevent crime. The police are not the paid servants of the Ministers. They are there to protect the public and are paid out of public funds. Their greater duty lies in serving their true masters-the tax payers-and not in hanging round their colleagues-the Ministers.

We hope with the awakening consciousness of the citizens these required adjustments in a democracy will soon be made and the Government will begin to function as a helper of the people rather than as a parasite on the production of the masses. Until such time as the expenditure of the Government represents the fact that they are conscious of their great responsibilities and are striving to carry them out, it would be but proper to exempt all cottage and village industries from the imposition of sales tax unless the Government feel it their duty to suppress these industries to extinction. In all conscience these have been neglected long enough and have been sponged upon during the British regime. Are we not entitled to relief under a Government run by nationals?

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## CHAPTER VI

### \* THE HAVES HAVE IT

The Food Minister, addressing a Meeting of the Indian Central Sugarcane Committee stated that it has been calculated that the people have paid about Rs. 70 crores, in the form of Protective Duty, to establish the sugar industry. Apart from these protective duties, crores have been spent to develop cane varieties which will yield highest per cent of sugar and which will ripen at different periods of the year to keep the mills working all the year round. Sugar is inferior nutritionally to Gur. Sugarcane requires intensive cultivation on the best irrigated lands which can produce rice and other food crops. Bihar, which was a surplus province in rice, is now dependent on imports to feed its people owing to the shifting of crops from rice to sugarcane. All this has been done in the interests of mill owners at terrific loss to the people—financially and nutritionally.

Vested interests are never tired of pointing out that Village Industries cannot stand on their legs and cannot compete with the mills. Under such odds and handicaps it is a surprise that the village industries even exist to tell the tale. How much has the Government spent to further the gur industry especially the Palm Gur variety?

The development of Palm Gur makes no inroads on cultivable land as the palms especially date, palmyra etc.,



grow on waste lands. It is an industry which forms a good complement to the prohibition programme in utilizing to good productive purpose the skill of the displaced tappers.

We are told that the Government of Bombay, intend to levy a cess of six annas per Bengal Maund for sugarcane going into sugar factories in the province. This is calculated to yield about a crore, which will be earmarked for the further development of this industry. Is there no end to this spoon-feeding of these hefty mills at the cost of the public? Now that they have been placed on their feet at public cost they should be made to bear the expense of further expansion and may even be taxed heavily for the benefit of the public.

As a measure of combating inflation the Government of India are contemplating reducing the price of sugar, but lest it should tell on the fat profits of the mills they are considering whether this reduction should not be made on the price of sugarcane so that the burden may fall on the back of the farmer! The Government policy seems to be "from him who hath not, even the little he hath shall be taken away and given to him who hath."

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## CHAPTER VII

### \* (1) AN EYE WASH AND A DECEPTION

The salary of the Governor General has now been, reduced from Rs. 2. 50 lakhs a year subject to Income Tax to Rs. 66,000 a year free of Income Tax.

Bulk of our citizens do not understand the implications of "Free of Income Tax" as they do not know what it is to be subject to Income Tax! It is calculated that if the present reduced salary were subject to Income Tax it would be equivalent to about Rs. 1. 75 lakhs per year. Why this innovation of a salary free of Income Tax? It is to throw dust into the eyes of the General public so that they may not be aware of the enormity of the disparity between the income of the common citizen who pays the bill and the salary drawn by our officers. It is deliberately calculated to mislead the public. Is this not deception?

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\* *Gram Udyog Patrika*—April 1949

## \* (2) DIGNITY OR VULGARITY

Ours is a culture which has developed a set of values in many respects unique. We have been brought up to respect an individual for his character and personality. If a person is devoted to ideals of service and renounces all wealth which leads to the exploitation of our fellowmen, we have been taught to honour such. Money and Power has no place in such a standard of values.

Animals, when they desire to frighten their enemies, make their hair stand on ends like a cat when attacked by a dog. This makes them look bigger than they really are. Commercially minded nations, wishing to impress their neighbours by their prosperity, resort to ostentatious spending. Violent nations aiming to scare others put up a show of financial strength. To this end the British Empire, based on violence, resorted to extravagant expenditure on savage splendour and barbarous pomp. Do we also need these trappings of medieval days? Does Rajaji of all men need such caparisoning to increase his status in this land of *Rishis* with the beggars' bowl?

The Prime Minister's reason for justifying the salary and emoluments of the Governor General seemed to us as being

definitely insulting to a man of Rajaji's attainments. An ass may need a golden throne to add dignity to itself in the sight of vulgar spectators, but no such conspicuous waste is called for one who has the real metal in one's character and personality.

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## CHAPTER VIII

### \* SPONGING ON THE VOICELESS MILLIONS

Now that popular governments are again assuming responsibility it has become necessary to formulate the policy that should govern their actions. The order of the day has been to make the comfortable people of the city still more comfortable. Government at present is city centred.

Everywhere in New Delhi you find the boards "No bullock carts allowed." Who paid for these roads on which bullock carts are not allowed? These are built not out of moneys contributed by the motorists but out of taxes that the poor people pay the very people who are not allowed to use these roads.

Are such expensively built roads necessary? The motorist needs them to save his tyre and petrol bill as well as to reduce the wear and tear on the car. They are essential to keep down the dust that the motorist raises. Such even-surfaced roads enable the motorists to speed along comfortably. Hence they are made necessary for the motorist. Therefore the motorists should be called upon to foot the bill for such roads.

Do animal driven carts require such roads? No. The animals slip and fall, besides, they are hard on the hoofs of

unshod bullocks as most cart animals are. Therefore, no contribution from non-motorists is called for. Even should such roads be built solely out of funds contributed by the motorists the general public is entitled to the free use of them.

Hence it follows that all roads needed by motorists must be paid for by the class that needs them. They should not be allowed to use roads other than their own. Charging these special benefits to general revenue is in effect shifting the incidence of taxation from the motorists, who is of the wealthiest section of the public, to the masses, who are financially much weaker. If this policy is given effect to every motorist will be a self-respecting person. But not so now when crores are being spent on roads for the motorists benefit, neglecting the health and education of those who really bear the cost of this expensive luxury, at least in our country.

Such is the case in most activities of the Government. Even the so called scientific bodies, like the Imperial Council of Agriculture, are but adjuncts to commercial concerns. They spend bulk of their money, energy and talents in researching on cotton, sugar cane etc. for the mills and on encouraging the growth of tobacco etc. for the Imperial Tobacco company. Apart from these even the Agriculture Colleges train men for such jobs as can be given by mills etc. and not to enable young men to cultivate their own lands as independent farmers. It may even be said that these Colleges wean men away from village life. Again all this is done out of revenues collected from the masses. If the mill owners etc. were honest the expenses of the whole of this Department should be borne out of contributions made by Textile mills, Sugar mills, Imperial Tobacco Co. etc. They prefer to sponge on the poor instead.

The Council of Scientific and Industrial Research is also directing its activities similarly in investigating problems the solution of which will be helpful to industrial and commercial magnates. They are now taking out patents on their finding on the reduction of Nitro-compounds for cotton colours etc. which benefit the textile mills.

We may understand a small percentage of work of these bodies overflowing into such activities while the core of their programme is mainly concerned with researches that will put life into the various industries on which millions depend for their livelihood. The irony of it is they do not even by mistake look at the problems of village industries. The scientists on the staff of these bodies have been told in season and out of season that these simple industries have been out moded and that is enough for these men to leave them alone.

A popular ministry will have to scrap these departments or turn them over to the mills or alternately insist that they should launch on problems referred and sanctioned by Village Industries Ministry or Department.

We find rich Municipalities using their great influence with the Government to obtain grants for their work. Where from does the Government get the money to make grants? Not from Great Britain but from the masses, out of funds which should have been spent on their needs.

Public expenditures will have to be conscienciously scrutinised to see that no pie coming from the poor is spent by government in such a way as to exclusively serve the interests of the rich and that every item of expenditure that benefits the rich comes out of adequate contributions made

by that class. If this policy is strictly followed it will soon be apparent to what extent the better off classes have been sponging on the voiceless millions as the former will find that they can no longer live as comfortably as they have done so far. If the methods of the present Government of India are continued by the popular ministries, even if the Britishers quit India to a man yet poverty will inevitably increase. One class cannot ride on the shoulders of another class in a free country.

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